International Labour Conference
80th Session 1993

Report II

Draft programme and budget 1994-95 and other financial questions

International Labour Office Geneva

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Second item on the agenda: Programme and budget proposals and other financial questions

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International Labour Office Geneva

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PREFACE

1. This report deals with the draft Programme and Budget for 1994-95 as examined by the Governing Body at its 255th Session (February-March 1993).

2. The full material relating to the draft 1994-95 programme and budget appears on pages 1-10. This material should be read in conjunction with the Director-General's original Programme and Budget proposals for 1994-95, as indicated in paragraph 2 on page 1.

3. The Governing Body's recommendations concerning the assessment of contributions of new member States, the Working Capital Fund, outstanding debts of member States and the right to vote and the composition of the Administrative Tribunal of the International Labour Organization, together with the related draft Conference resolutions, are set out on pages 11, 12, 13 and 14 respectively.

PROGRAMME AND BUDGET FOR 1994-95

CONSIDERATION OF THE DIRECTOR-GENERAL'S PROGRAMME AND BUDGET PROPOSALS FOR 1994-95 BY THE PROGRAMME, FINANCIAL AND ADMINISTRATIVE COMMITTEE AND THE GOVERNING BODY

1. The Director-General's original Programme and Budget proposals for 1994-95 were submitted to the Governing Body at its 255th Session (February-March 1993) in document GB.255/PFA/3/1. That document (together with an addendum, document GB.255/PFA/3/1/Add.) is being reissued as a supplement to the present report and circulated to those recipients of the report to whom the proposals in question have not already been sent.

2. The Director-General's original proposals were considered in the first instance by the Programme, Financial and Administrative Committee of the Governing Body. The Committee's discussion of the proposals was recorded in its Third Report to the Governing Body, which is reproduced in Annex 1 to the present report.[1] The Governing Body on 3 March 1993 accepted the recommendations of the Committee and decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 64th financial period, ending 31 December 1995, and for the allocation of expenses among Members in that period. The text of the proposed resolution is given below in paragraph 9.

3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of $446,211,000 estimated at the 1992-93 budget exchange rate of 1.55 Swiss francs to the US dollar, as detailed in table D - "Provisional programme level for 1994-95 by major programme" - set out on page 9 below. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.

4. The Director-General's original proposed expenditure budget for 1994-95 (Parts I to III) by major programme is set out in table A on page 3 below.

5. The final programme and budget proposals recommended by the Governing Body are being placed before the Conference in the form of the Director-General's original proposals (which, as indicated in paragraph 1 above, are being circulated where necessary as a supplement to the present report) together with the adjustments made to the proposals by the Programme, Financial and Administrative Committee and endorsed by the Governing Body, which are set out in tables B, C, D and E on pages 5 to 10 below. Any recommendations of the Governing Body requiring Conference decision arising out of its deliberations at the 256th Session (May-June 1993) will be the subject of a special issue of the Provisional Record to the Conference.

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[1] See blue title page. This report for the Conference was prepared immediately after the 255th Session of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations. The discussion of the Programme, Financial and Administrative Committee's Third Report in the Governing Body will be reflected in the minutes of the 255th Session of the Governing Body, which were not available at the time of going to press.

Comparison of the draft programme and budget for 1994-95 with the Programme and Budget for 1992-93

6. To permit identification of changes in programme levels - as distinct from changes due to cost increases, inflation and currency fluctuations - the original proposals for 1994-95 shown in table A (entitled "Director-General's original proposed expenditure budget for 1994-95 (Parts I to III) by major programme") are set out in two separate colums (the centre and right-hand columns of figures). The centre column shows the Director-General's original proposals costed in terms of constant 1992-93 dollars, i.e. on the basis of the cost levels and exchange rates used in preparing the 1992-93 Programme and Budget. The figures in the centre column can thus be compared directly with those in the left-hand column, headed "1992-93 budget", so that programme increases and decreases in real terms can be readily identified. The figures in the right-hand column represent the original 1994-95 budget proposals; they are costed on the basis of estimated 1994-95 cost levels and the 1992-93 budget exchange rate of 1.55 Swiss francs to 1 US dollar. Table A is found on page 3 below.

7. A comparison of the main elements for the provisional 1994-95 budget with those of the budget adopted for 1992-93 is provided in table C - "Provisional programme level for 1994-95 as endorsed by the Governing Body and analysis of increases and decreases by major programme" - on page 8.

Recommendations of the Governing Body to the Conference at its 80th Session (1993)

8. The Governing Body recommended to the forthcoming session of the Conference that the final amount of the 1994-95 budget be based on the endorsed provisional programme level of US$446,211,000 estimated at the 1992-93 budget exchange rate of 1.55 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference. The provisional programme level for 1994-95 and summary of Parts I to III as endorsed by the Governing Body, together with a comparison of those Parts with the equivalent Parts of the 1992-93 Programme and Budget are set out in table E on page 10.

9. The Governing Body also recommends that the text of the related resolution to be adopted by the Conference should be as follows:

> The General Conference of the International Labour Organization,
>
> In virtue of the Financial Regulations, passes for the 64th financial period, ending 31 December 1995, the budget of expenditure for the International Labour Organization amounting to US$....... and the budget of income amounting to US$......., which, at the budget rate of exchange of Swiss francs .... to the US dollar, amounts to Swiss francs ...., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

SUMMARY TABLES

TABLE A

DIRECTOR-GENERAL'S ORIGINAL PROPOSED EXPENDITURE BUDGET FOR 1994-95 (PARTS I TO III) BY MAJOR PROGRAMME

(IN US DOLLARS)

CHAPTER	ITEM	TITLE	1992-93 BUDGET	1994-95 ESTIMATES (IN CONSTANT 1992-93 DOLLARS)	1994-95 ESTIMATES (RECOSTED)
		PART I. ORDINARY BUDGET			
A		**POLICY MAKING ORGANS**			
	10	INTERNATIONAL LABOUR CONFERENCE	11,951,662	10,890,336	11,861,310
	20	GOVERNING BODY	2,085,278	2,048,478	2,214,433
	30	MAJOR REGIONAL MEETINGS	2,289,081	1,804,638	1,984,595
		TOTAL	**16,326,021**	**14,743,452**	**16,060,338**
B		**GENERAL MANAGEMENT**			
	40	GENERAL MANAGEMENT	7,826,190	7,431,852	8,120,627
C		**TECHNICAL PROGRAMMES**			
	50	INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	16,163,497	16,360,154	17,950,112
	60	EMPLOYMENT AND DEVELOPMENT	13,725,643	13,214,972	14,517,143
	65	ENTERPRISE AND COOPERATIVE DEVELOPMENT	6,832,200	6,581,880	7,245,200
	70	TRAINING	8,138,910	7,923,932	8,717,593
	75	TURIN CENTRE	4,219,510	4,219,510	4,785,000
	80	INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,078,630	8,651,011	9,508,098
	90	WORKING CONDITIONS AND ENVIRONMENT	14,024,180	13,327,419	14,661,890
	100	SECTORAL ACTIVITIES	13,673,630	12,861,274	14,051,888
	110	SOCIAL SECURITY	5,090,405	5,124,140	5,614,720
	115	INTERNATIONAL SOCIAL SECURITY ASSOCIATION	534,910	534,910	569,670
	120	LABOUR INFORMATION AND STATISTICS	23,951,523	23,329,844	25,798,313
	130	INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,262,970	3,794,780	4,204,780
	140	INTERDEPARTMENTAL PROJECTS	8,376,345	8,644,872	9,489,341
		TOTAL	**128,072,353**	**124,568,698**	**137,113,748**
D		**SERVICE AND SUPPORT ACTIVITIES**			
	150	DEVELOPMENT COOPERATION	2,523,687	2,196,400	2,410,154
	160	PERSONNEL	11,312,203	12,358,657	13,796.541
	170	FINANCIAL AND CENTRAL ADMINISTRATIVE SERVICES	41,210,998	40,681,587	45,324,772
	180	EDITORIAL AND DOCUMENT SERVICES	30,404,532	28,891,286	32,374,035
	190	LEGAL SERVICES	2,179,268	2,179,268	2,378,134
	200	PROGRAMMING AND MANAGEMENT	4,353,143	4,353,243	4,761,511
		TOTAL	**91,983,831**	**90,660,441**	**101,045,147**
E		**RELATIONS**			
	220	RELATIONS AND MEETINGS	25,500,558	24,564,687	26,432,700
	225	EMPLOYERS' ACTIVITIES	3,870,508	4,257,540	4,676,235
	230	WORKERS' ACTIVITIES	10,971,783	12,076,651	13,268,050
	235	PUBLIC INFORMATION	3,914,833	4,274,833	4,696,835
	240	LIAISON OFFICE WITH UNITED NATIONS, NEW YORK	1,821,304	1,722,064	1,885,320
		TOTAL	**46,078,986**	**46,895,775**	**50,959,190**
F		**REGIONAL SERVICES**			
	250	FIELD PROGRAMMES IN AFRICA	31,280,379	32,655,548	35,891,497
	260	FIELD PROGRAMMES IN THE AMERICAS	27,364,706	28,327,652	32,246,000
	265	FIELD PROGRAMMES IN ARAB STATES	5,824,110	6,150,614	6,659,591
	270	FIELD PROGRAMMES IN ASIA AND THE PACIFIC	27,711,161	28,910,963	32,149,572
	280	FIELD PROGRAMMES IN EUROPE	7,792,492	9,438,344	10,093,860
		TOTAL	**99,972,848**	**105,483,121**	**117,040,520**

CHAPTER	ITEM	TITLE	1992-93 BUDGET	1994-95 ESTIMATES (IN CONSTANT 1992-93 DOLLARS)	1994-95 ESTIMATES (RECOSTED)
G		**OTHER BUDGETARY PROVISIONS**			
	290	OTHER BUDGETARY PROVISIONS	17,949,766	18,426,656	19,456,664
		SUB TOTAL	**408,209,995**	**408,209,995**	**449,796,234**
		ADJUSTMENT FOR STAFF TURNOVER	(3,394,995)	(3,394,995)	(3,657,234)
		TOTAL OF PART I	**404,815,000**	**404,815,000**	**446,139,000**
		PART II. UNFORESEEN EXPENDITURE			
	295	UNFORESEEN EXPENDITURE	875,000	875,000	875,000
		PART III. WORKING CAPITAL FUND			
	296	WORKING CAPITAL FUND	-	-	-
		TOTAL (PARTS I-III)	**405,690,000**	**405,690,000**	**447,014,000**

TABLE B

ADJUSTMENTS TO PART I OF THE DIRECTOR-GENERAL'S PROGRAMME AND BUDGET PROPOSALS FOR 1994-95

(The dollar amounts for proposed reductions are shown in brackets)

Prog. No.	Para. No. in the proposals	Activity and/or item of expenditure by major programme	P work-months	GS work-months	In constant dollars	
					Non-staff costs	Total by activity
		International labour standards and human rights				
50.4	50.38	Delete work item on appeals procedures and machinery to implement rights set out in law.	(2)			(20,586)
50.4	50.42	Postpone the proposed meeting of experts on personnel policies to promote equality of opportunity until a later biennium	(2)		(97,000)	(117,586)
		Employment and development				
60.3	New	Add provision under the Active labour market policies programme for ILO technical advisory services on structural adjustment and employment in developing countries, 2/00 P work-years	24			247,032
	60.32	Delete work item on Labour regulations, employment and productivity	(12)		(11,000)	(134,516)
		Enterprise and cooperative development				
65.2	New	Add provision for technical advisory services under the Entrepreneurship, small enterprise and informal sector development subprogramme	12			123,516
		Industrial relations and labour administration				
80.2	80.33	Add a Professional post for the Multinationals enterprises subprogramme, for the promotion of the Tripartite Declaration	24			247,032
		Working conditions and environment				
90.2	New	Add Meeting of Experts on the Safety and Health of Workers in the Electronics Industry (postponed from 1993)	2		80,500	101,086
90.2	90.33	Postpone meeting of experts on workplace specifications until 1996-97	(2)		(126,000)	(146,586)
90.4	90.67	Add further resources for Child labour: technical advisory services	12			123,516
		Sectoral activities				
100.2	100.9	Add one sectoral specialist post 2/00 P work-years	24			247,032
	100.40	Add further provision for technical advisory services to the Hotels and tourism sector	8			82,344

Prog. No.	Para. No. in the proposals	Activity and/or item of expenditure by major programme	P	GS	In constant dollars	
			work-months		Non-staff costs	Total by activity
100.6	New	Add the Joint Committee on the Public Service (Fifth Session) postponed from 1993, leading to a net resource saving[1]			(19,760)	(19,760)
	100.47	Delete resources set aside for the preparation of the report for the ninth smaller sectoral meeting (since the report for the Joint Committee has already been prepared), 0/10 P work-year	(10)			(102,930)
		Social Security				
110	New	Add resources for training on Tripartite participation in the development and management of social security systems, 1/00 P work-year	12			123,516
	New	Add Tripartite Meeting of Experts on Social Security and Social Protection: Equality of Opportunity between Men and Women (postponed from 1993)			114,600	114,600
		Labour information and statistics				
120.4	120.48	Reduce provision for computer maintenance			(320,000)	(320,000)
		International Institute of Labour Studies				
130	130.18	Add provision for a second internship course (it being understood that each course will have a duration of 22 rather than 30 days)			230,000	230,000
		Interdepartmental projects				
140		Reduce external collaboration for the three interdepartmental projects by $160,000 and staff travel by $110,000			(270,000)	(270,000)
140.4	-	Reduce provision for the project coordinator for the Environment project by 1/00 P work-year	(12)			(123,516)
140.6	140.53	Reduce Programme Flexibility Reserve to same level as in biennium 1992-93			(350,000)	(350,000)
		Financial and central administrative services				
170.4	170.17	Reduction in building maintenance contracts and in travel services due to simplified home leave, education grant and family visit travel arrangements			(345,000)	(345,000)
		Programming and management				
200	200.7	Add resources for the preparation of a review and evaluation of the ILO's Sectoral activities programme	12		40,000	163,516

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[1] It is assumed that the Joint Committee on the Public Service will become the ninth smaller sectoral meeting, the subject of which has not yet been determined. The direct cost of the Committee is $149,030; an amount of $168,790 was set aside in the proposals for the ninth smaller meeting.

Prog. No.	Para. No. in the proposals	Activity and/or item of expenditure by major programme	P	GS	In constant dollars	
			work-months		Non-staff costs	Total by activity
		Relations and meetings				
220.2	220.10	Restore provision for the chief interpreter post, 2/00 P work-years	24			247,032
	220.10	Net change in resources for interpretation at technical meetings			10,258	10,258
		New York				
240	240.3	Savings of $20,000 in external collaboration			(20,000)	(20,000)
	-	Reduction in General Service support[2]		(24)		(90,000)
		Field programmes in Asia and the Pacific				
270.2	270.30	Increase RBTC for field projects in the Asia and the Pacific region			240,000	240,000
270.4	270.37	Reduce provision for rent and maintenance in the Tokyo Office by $240,000			(240,000)	(240,000)
		NET CHANGE IN THE OVERALL LEVEL OF PART I OF THE BUDGET FOR THE BIENNIUM				-

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[2] This corresponds to the non-replacement of a GS official who is leaving in 1993.

TABLE C

PROVISIONAL PROGRAMME LEVEL FOR 1994-95 AS ENDORSED BY THE GOVERNING BODY AND ANALYSIS OF INCREASES AND DECREASES BY MAJOR PROGRAMME

APPROPRIATION LINE	(A)	(B)	(C)		(D)		(E)	(F)
	1992-93	1994-95 ESTIMATES IN CONSTANT 1992-93 DOLLARS	PROGRAMME INCREASES (DECREASES)		COST INCREASES (DECREASES)		1994-95	% OF TOTAL BUDGET
	$	$	$	%	$	%	$	%
10 INTERNATIONAL LABOUR CONFERENCE	11,951,662	10,890,336	(1,061,326)	(8.88)	970,274	8.91	11,860,610	2.66
20 GOVERNING BODY	2,085,278	2,048,478	(36,800)	(1.76)	165,955	8.10	2,214,433	.50
30 MAJOR REGIONAL MEETINGS	2,289,081	1,804,638	(484,443)	(21.16)	179,657	9.96	1,984,295	.44
40 GENERAL MANAGEMENT	7,826,190	7,431,852	(394,338)	(5.04)	677,975	9.12	8,109,827	1.82
50 INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	16,163,497	16,221,982	58,485	.36	1,529,470	9.43	17,751,452	3.98
60 EMPLOYMENT AND DEVELOPMENT	13,725,643	13,327,488	(398,155)	(2.90)	1,271,200	9.54	14,598,688	3.27
65 ENTERPRISE AND COOPERATIVE DEVELOPMENT	6,832,200	6,705,396	(126,804)	(1.86)	656,184	9.79	7,361,580	1.65
70 TRAINING	8,138,910	7,923,932	(214,978)	(2.64)	771,261	9.73	8,695,193	1.95
75 TURIN CENTRE	4,219,510	4,219,510	-	-	565,490	13.40	4,785,000	1.07
80 INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,078,630	8,898,043	(180,587)	(1.99)	850,515	9.56	9,748,558	2.18
90 WORKING CONDITIONS AND ENVIRONMENT	14,024,180	13,405,435	(618,745)	(4.41)	1,304,545	9.73	14,709,980	3.30
100 SECTORAL ACTIVITIES	13,673,630	13,067,960	(605,670)	(4.43)	1,177,078	9.01	14,245,038	3.19
110 SOCIAL SECURITY	5,090,405	5,362,256	271,851	5.34	493,644	9.21	5,855,900	1.31
115 INTERNATIONAL SOCIAL SECURITY ASSOCIATION	534,910	534,910	-	-	34,760	6.50	569,670	.13
120 LABOUR INFORMATION AND STATISTICS	23,951,523	23,009,844	(941,679)	(3.93)	2,386,569	10.37	25,396,413	5.69
130 INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,262,970	4,024,780	(238,190)	(5.59)	438,500	10.90	4,463,280	1.00
140 INTERDEPARTMENTAL PROJECTS	8,376,345	7,901,356	(474,989)	(5.67)	751,205	9.51	8,652,561	1.94
150 DEVELOPMENT COOPERATION	2,523,687	2,196,400	(327,287)	(12.97)	209,554	9.54	2,405,954	.54
160 PERSONNEL	11,312,203	12,358,657	1,046,454	9.25	1,413,034	11.43	13,771,691	3.09
170 FINANCIAL AND CENTRAL ADMINISTRATIVE SERVICES	41,210,998	40,336,587	(874,411)	(2.12)	4,583,785	11.36	44,920,372	10.07
180 EDITORIAL AND DOCUMENT SERVICES	30,404,532	28,891,286	(1,513,246)	(4.98)	3,449,749	11.94	32,341,035	7.25
190 LEGAL SERVICES	2,179,268	2,179,268	-	-	192,266	8.82	2,371,534	.53
200 PROGRAMMING AND MANAGEMENT	4,353,143	4,516,759	163,616	3.76	407,462	9.02	4,924,221	1.10
220 RELATIONS AND MEETINGS	25,500,558	24,821,977	(678,581)	(2.66)	1,818,141	7.32	26,640,118	5.97
225 EMPLOYERS' ACTIVITIES	3,870,508	4,257,540	387,032	10.00	411,495	9.67	4,669,035	1.05
230 WORKERS' ACTIVITIES	10,971,783	12,076,651	1,104,868	10.07	1,167,499	9.67	13,244,150	2.97
235 PUBLIC INFORMATION	3,914,833	4,274,833	360,000	9.20	412,102	9.64	4,686,935	1.05
240 LIAISON OFFICE WITH UNITED NATIONS, NEW YORK	1,821,304	1,612,064	(209,240)	(11.49)	149,856	9.30	1,761,920	.39
250 FIELD PROGRAMMES IN AFRICA	31,280,379	32,655,548	1,375,169	4.40	3,153,749	9.66	35,809,297	8.03
260 FIELD PROGRAMMES IN THE AMERICAS	27,364,706	28,327,652	962,946	3.52	3,857,148	13.62	32,184,800	7.21
265 FIELD PROGRAMMES IN ARAB STATES	5,824,110	6,150,614	326,504	5.61	493,927	8.03	6,644,541	1.49
270 FIELD PROGRAMMES IN ASIA AND THE PACIFIC	27,711,161	28,910,963	1,199,802	4.33	3,180,409	11.00	32,091,372	7.19
280 FIELD PROGRAMMES IN EUROPE	7,792,492	9,438,344	1,645,852	21.12	641,716	6.80	10,080,060	2.26
290 OTHER BUDGETARY PROVISIONS	17,949,766	18,426,656	476,890	2.66	1,025,908	5.57	19,452,564	4.36
ADJUSTMENT FOR STAFF TURNOVER	(3,394,995)	(3,394,995)	-	-	(271,082)	7.98	(3,666,077)	(.82)
TOTAL PROGRAMMES OF ACTIVITY	**404,815,000**	**404,815,000**	-	-	**40,521,000**	**10.01**	**445,336,000**	**99.80**
FINANCIAL FACTORS								
295 UNFORESEEN EXPENDITURE	875,000	875,000	-	-	-	-	875,000	.20
296 WORKING CAPITAL FUND	-	-	-	-	-	-	-	-
TOTAL	**405,690,000**	**405,690,000**	-	-	**40,521,000**	**9.99**	**446,211,000**	**100.00**

TABLE D

PROVISIONAL PROGRAMME LEVEL FOR 1994-95 BY MAJOR PROGRAMME

(as endorsed by the Governing Body in February-March 1993)

CHAPTER	ITEM	TITLE	1992-93 BUDGET	1994-95 ESTIMATES (IN CONSTANT 1992-93 DOLLARS)	1994-95 ESTIMATES (RECOSTED)
		PART I. ORDINARY BUDGET			
A		POLICY MAKING ORGANS:			
	10	INTERNATIONAL LABOUR CONFERENCE	11,951,662	10,890,336	11,860,610
	20	GOVERNING BODY	2,085,278	2,048,478	2,214,433
	30	MAJOR REGIONAL MEETINGS	2,289,081	1,804,638	1,984,295
		TOTAL	16,326,021	14,743,452	16,059,338
B		GENERAL MANAGEMENT:			
	40	GENERAL MANAGEMENT	7,826,190	7,431,852	8,109,827
C		TECHNICAL PROGRAMMES:			
	50	INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	16,163,497	16,221,982	17,751,452
	60	EMPLOYMENT AND DEVELOPMENT	13,725,643	13,327,488	14,598,688
	65	ENTERPRISE AND COOPERATIVE DEVELOPMENT	6,832,200	6,705,396	7,361,580
	70	TRAINING	8,138,910	7,923,932	8,695,193
	75	TURIN CENTRE	4,219,510	4,219,510	4,785,000
	80	INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,078,630	8,898,043	9,748,558
	90	WORKING CONDITIONS AND ENVIRONMENT	14,024,180	13,405,435	14,709,980
	100	SECTORAL ACTIVITIES	13,673,630	13,067,960	14,245,038
	110	SOCIAL SECURITY	5,090,405	5,362,256	5,855,900
	115	INTERNATIONAL SOCIAL SECURITY ASSOCIATION	534,910	534,910	569,670
	120	LABOUR INFORMATION AND STATISTICS	23,951,523	23,009,844	25,396,413
	130	INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,262,970	4,024,780	4,463,280
	140	INTERDEPARTMENTAL PROJECTS	8,376,345	7,901,356	8,652,561
		TOTAL	128,072,353	124,602,892	136,833,313
D		SERVICE AND SUPPORT ACTIVITIES:			
	150	DEVELOPMENT COOPERATION	2,523,687	2,196,400	2,405,954
	160	PERSONNEL	11,312,203	12,358,657	13,771,691
	170	FINANCIAL AND CENTRAL ADMINISTRATIVE SERVICES	41,210,998	40,336,587	44,920,372
	180	EDITORIAL AND DOCUMENT SERVICES	30,404,532	28,891,286	32,341,035
	190	LEGAL SERVICES	2,179,268	2,179,268	2,371,534
	200	PROGRAMMING AND MANAGEMENT	4,353,143	4,516,759	4,924,221
		TOTAL	91,983,831	90,478,957	100,734,807
E		RELATIONS:			
	220	RELATIONS AND MEETINGS	25,500,558	24,821,977	26,640,118
	225	EMPLOYERS' ACTIVITIES	3,870,508	4,257,540	4,669,035
	230	WORKERS' ACTIVITIES	10,971,783	12,076,651	13,244,150
	235	PUBLIC INFORMATION	3,914,833	4,274,833	4,686,935
	240	LIAISON OFFICE WITH UNITED NATIONS, NEW YORK	1,821,304	1,612,064	1,761,920
		TOTAL	46,078,986	47,043,065	51,002,158
F		REGIONAL SERVICES:			
	250	FIELD PROGRAMMES IN AFRICA	31,280,379	32,655,548	35,809,297
	260	FIELD PROGRAMMES IN THE AMERICAS	27,364,706	28,327,652	32,184,800
	265	FIELD PROGRAMMES IN ARAB STATES	5,824,110	6,150,614	6,644,541
	270	FIELD PROGRAMMES IN ASIA AND THE PACIFIC	27,711,161	28,910,963	32,091,372
	280	FIELD PROGRAMMES IN EUROPE	7,792,492	9,438,344	10,080,060
		TOTAL	99,972,848	105,483,121	116,810,070
G		OTHER BUDGETARY PROVISIONS:			
	290	OTHER BUDGETARY PROVISIONS	17,949,766	18,426,656	19,452,564
		SUB TOTAL	408,209,995	408,209,995	449,002,077
		ADJUSTMENT FOR STAFF TURNOVER	(3,394,995)	(3,394,995)	(3,666,077)
		TOTAL OF PART I	404,815,000	404,815,000	445,336,000
		PART II. UNFORESEEN EXPENDITURE			
	295	UNFORESEEN EXPENDITURE	875,000	875,000	875,000
		PART III. WORKING CAPITAL FUND			
	296	WORKING CAPITAL FUND	-	-	-
		TOTAL (PARTS I-III)	405,690,000	405,690,000	446,211,000

TABLE E

PROVISIONAL PROGRAMME LEVEL FOR 1994-95 AND SUMMARY OF PARTS I TO III AS ENDORSED BY THE GOVERNING BODY

			1994-95 Provisional level $
PART I	ORDINARY BUDGET		
	Initial proposals in constant dollars (at Sw.frs.1.55 to US$1)		404 815 000
	Net programme adjustments as per Appendix I		-
			404 815 000
	Initial cost increases	41 324 000	
	Effects of introduction of lump-sum arrangements for home leave, education grant and family visit travel	(800 000)	
	Adjustments due to programme changes	(3 000)	40 521 000
NET PART I			445 336 000
PART II	UNFORESEEN EXPENDITURE		875 000
PART III	WORKING CAPITAL FUND		-
1994-95 PROVISIONAL PROGRAMME LEVEL			446 211 000

COMPARISON WITH 1992-93 PROGRAMME AND BUDGET:

		1992-93 budget $	1994-95 provisional level $	Increase (decrease) compared with 1992-93 $
PART I	Programmes of activity	404 815 000	404 815 000	-
	Cost increases		40 521 000	40 521 000
PART II	Unforeseen expenditure	875 000	875 000	-
PART III	Working Capital Fund	-	-	-
TOTAL BUDGET (PARTS I, II AND III)		405 690 000	446 211 000	40 521 000

OTHER FINANCIAL AND ADMINISTRATIVE QUESTIONS

ASSESSMENT OF CONTRIBUTIONS OF NEW MEMBER STATES

1. The assessment of contributions of new member States was considered by the Allocations Committee at the 255th (March 1993) Session of the Governing Body on the basis of two documents prepared by the Director-General (GB.255/AC/1/2 and GB.255/AC/1/3). Annex 2(a) of the present report contains the Committee's report to the Governing Body (document GB.255/7/10 - pink title page).

2. The Committee's recommendations were endorsed by the Governing Body on 2 March 1993 and it will be for the Finance Committee of Government Representatives to consider the recommendations in paragraphs 5, 10 and 13, and to make appropriate proposals to the Conference.

WORKING CAPITAL FUND

1. At its 254th (November 1992) Session, the Governing Body considered changes in the operation of the Working Capital Fund together with amendments to the Financial Regulations which were required to implement them. These related to the method of regulating the level of the Working Capital Fund, including the proposed establishment of an Income Adjustment Account, the treatment of miscellaneous income and interest on the Fund, and the limitation of the use of the Fund.

2. Following these considerations, the Governing Body decided, on the recommendation of its Programme, Financial and Administrative Committee, to propose the following draft resolution for adoption by the Conference at its next session.

Resolution proposed by the Governing Body for adoption by the Conference at its 80th (1993) Session

The General Conference of the International Labour Organization,

Recalling that, at the 248th Session (November 1990) of the Governing Body, the Programme, Financial and Administrative Committee had set up a Working Party to review the current arrangements governing the Working Capital Fund,

Recognizing that amendments to the Financial Regulations are required in order to implement the recommendations of the Governing Body concerning the operation of the Working Capital Fund;

Decides that the level of the Working Capital Fund on 1 January 1993 be set at 35 million Swiss francs and that any remaining balance be transferred to an Income Adjustment Account.

Decides to approve, in accordance with article 41 of the Financial Regulations and effective from 1 January 1993, the amendments to the Regulations set out in Annex 3 (green title page) to this report.

OUTSTANDING DEBTS OF MEMBER STATES AND THE RIGHT TO VOTE

1. At its 255th (February-March 1993) Session, the Programme, Financial and Administrative Committee considered a paper[1] on the status of amounts owing by member States relating to an earlier period of membership in the Organization and proposed that the Governing Body refer the question to the Conference.

2. This matter had already been discussed by the Committee on Standing Orders and the Application of Conventions and Recommendations in November 1992. That Committee had proposed, and the Governing Body had decided, that the Financial Regulations should be amended so as to provide that contributions received from such member States would be credited first against the debt in question, subject to the possibility of the Conference approving an arrangement for repayment by instalments.

3. On 2 March 1993, the Governing Body endorsed the Programme, Financial and Administrative Committee's proposal and decided to submit the following draft resolution for adoption by the Conference at its next session:

> The General Conference of the International Labour Organization,
>
> Decides that article 10, paragraph 7, of the Financial Regulations shall be amended to read as follows (deletions in square brackets, additions underlined):
>
> Any payment in respect of contributions made by a Member of the Organization which has not paid in full its contribution for previous calendar years shall, unless the Conference decides otherwise in particular cases, be credited against the earliest in date of such arrears, including amounts outstanding in relation to payment of contributions during former periods of membership, notwithstanding any expression of intention to the contrary by the debtor Member. Where arrears or such outstanding amounts have been consolidated, a Member of the Organization is required to pay its annual instalment [in respect of arrears] in full before liquidating its current contribution for the year in question.

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[1] GB.255/PFA/4/3.

COMPOSITION OF THE ADMINISTRATIVE TRIBUNAL OF THE INTERNATIONAL LABOUR ORGANIZATION

1. The following is an extract from the Second Report of the Programme, Financial and Administrative Committee to the Governing Body at its 255th Session (February-March 1993):

> 37. The Committee had before it a paper[1] recalling the provisions of the Statute of the Administrative Tribunal whereby the judges are appointed for a period of three years by the Conference.

2. On the recommendation of its Programme, Financial and Administrative Committee, the Governing Body at its 255th Session (February-March 1993) decided to submit to the International Labour Conference at its next session the following resolution:

> The General Conference of the International Labour Organization,
>
> In accordance with Article III of the Statute of the Administrative Tribunal of the International Labour Organization;
>
> Extends the term of office of Miss Mella Carroll (Ireland) as judge by a further period of three years.

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[1] GB.255/PFA/8/4.

ANNEX 1

Third Report of the Programme, Financial and Administrative Committee of the Governing Body at its 255th Session (February-March 1993)

INTERNATIONAL LABOUR OFFICE
BUREAU INTERNATIONAL DU TRAVAIL
OFICINA INTERNACIONAL DEL TRABAJO

GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

GB.255/6/24
255th Session

Geneva,
1-4 March 1993

Sixth item on the agenda

THIRD REPORT OF THE PROGRAMME, FINANCIAL AND ADMINISTRATIVE COMMITTEE

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INTERNATIONAL LABOUR OFFICE
BUREAU INTERNATIONAL DU TRAVAIL
OFICINA INTERNACIONAL DEL TRABAJO

GB.255/6/24
255th Session

GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

Geneva,
1-4 March 1993

Sixth item on the agenda

THIRD REPORT OF THE PROGRAMME, FINANCIAL AND ADMINISTRATIVE COMMITTEE

1. The Programme, Financial and Administrative Committee of the Governing Body met from 15 to 19 February and on 24 February 1993 under the chairmanship of Mr. Vargas Campos, Chairman of the Governing Body. Miss A. Mackie (Employers' spokesperson) was Reporter.

Programme and Budget proposals for 1994-95

(Third item on the agenda)

2. The Committee had before it the Director-General's Programme and Budget proposals for 1994-95.[1] The proposals comprised a preface by the Director-General; an introduction; summary tables giving the proposed expenditure by major programme in US dollars, regular budget expenditure estimates and an analysis of increases and decreases by major programme; the draft budget of expenditure and income; programme descriptions and estimates by major programme; and a number of information annexes.

3. The Committee's discussion was opened by the Director-General, who introduced his proposals. His statement is reproduced in Appendix I.

4. After a recess, the Committee began its discussion of the programme and budget proposals.

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[1] GB.255/PFA/3/1; GB.255/PFA/3/1(Add).

General discussion of the programme and budget proposals

5. Mr. Oechslin, speaking on behalf of the Employer members, recalled that the Director-General had indicated that his proposals had taken into account the preliminary discussions of February and March 1992. During those discussions, the Employers had presented several ideas which substantially differed from, or even criticized, the Director-General's proposals. The Director-General had referred to the Employers' comments on several occasions during his reply, and the Employers had clearly stated that their support for the budget would depend on the inclusion of their viewpoints. The Employers did not feel that the document before the Committee adequately reflected that discussion, at least in relation to the propositions that they had made. Under these circumstances, it would be difficult to accept the document.

6. The Employers had maintained that employment was the essential priority and that it should dominate all the other priorities that had been proposed. Employment was a basic condition of all other priorities, since the absence of employment presented a serious danger to democracy and was the principal source of poverty. To tackle the heart of the matter, the Organization must begin by placing its fundamental emphasis on employment.

7. The Director-General had also recalled the Declaration of Philadelphia. The ILO's constituents at the time of its adoption were adapting the organization to the conditions of a new world. Adopting the Declaration was not the only measure they had taken; they also amended the Constitution, began a bold technical cooperation programme and a whole series of measures to profoundly transform the Organization's structures and objectives, permitting it to become the unique international organization that it still remained. The changes that had taken place at the beginning of the 1990s were at least as significant, if not more so, as those following the Second World War, especially considering the major political changes in eastern Europe and many other countries. The efforts of the UN system since the end of the War had generally failed, as poverty in the world had not been defeated, and had even risen. At the end of the 20th century, employment had also become a source of competition between States, particularly in the defence of jobs. Even the problem of migration, which the Director-General had addressed in his budget, was essentially a problem of employment. Therefore, the entire Organization should mobilize its efforts towards employment and it should be reflected in every programme. This certainly did not apply only to the Employment and Development major programme. There were programmes such as those concerning training and the Turin Centre, which contributed almost directly to the creation of employment. It was also necessary to examine the potential negative effects of well-intentioned programmes: for example, the major ILO objectives of social security and equality must be carefully examined to determine whether they might have a negative impact on employment. The Director-General's proposals did not sufficiently focus on this.

8. A period of zero growth implied that resources would have to be transferred from sectors of relatively low priority to a certain number of sectors of high priority. The Director-General had placed priority on international labour standards. International labour standards had been created to assist the Organization in obtaining several objectives and were a means to an end, not an end in themselves. It was clear that some standards were more important than others and that some had never been ratified or had become obsolete. Those that had not been accepted by general consensus or were not universally recognized should not be given priority. The Employers were surprised to see that one of the standards in this category, the hotel standards recently adopted by the Conference, had a full-time official dedicated to its promotion. Certain standards fell under the basic category

of human rights, while others had a more technical character and could not be legitimately considered by certain States as essential, but only as one possible approach to a problem. It was essential to have a policy on standards: it was necessary to examine the social and economic reasons why some had not been accepted, and to adapt them to the modern world. Although this important point was mentioned in the Director-General's Preface and in the Introduction, it was entirely absent from the technical programme. The proposals ambiguously referred to standards and technical cooperation. Recalling the discussion that had taken place and the existence of different points of view, the Employers felt that the two should be seen as separate but complementary means of achieving the Organization's objectives. Each had its value, and it was often technical cooperation projects that ultimately created conditions which permitted the ratification of a standard.

9. Secondly, the Employers felt that the Director-General's proposals did not stress the importance of the market economy in the democratic process as strongly as his report to the Conference had. The ILO's chief message must be the essential role of autonomous employers' and workers' organizations, independent of the government as well as of each other. That was what was important, and not any particular form of tripartism. The role of employers and workers must be reflected throughout the Organization's structure, including the Office. In this respect, there was a certain prejudice against ILO services for employers and officials with employer backgrounds, which could only be corrected by applying equal criteria. The ILO's management must reflect the perspectives of employers, workers and Governments, in order to ensure that they were better taken into account. It was not a problem of a specific service, but of a certain attitude.

10. The Employer members supported the concept of active partnership, which was not a new idea, and multidisciplinary advisory teams, as they helped to bring the Organization closer to its constituents. They also permitted the ILO to adapt to the changes in the UNDP, emphasized technical cooperation, and provided for employers and workers to participate more fully in the overall activities of the Organization. However, there were some doubts as to whether this would be more economical than modifying the existing structure, whether it was necessary to apply the concept to all regions at once without a trial period, whether the multidisciplinary teams, the remaining regional structures, the headquarters departments and the Turin Centre would be well coordinated, or whether the geographical coverage of each team had been well thought out. It was crucial to examine the fundamental philosophy behind the creation of such teams and to ensure that they respected the objectives of employers, workers, and governments in member States, rather than being missionary-like in trying to impose the ideas of the ILO. In relation to paragraph 56 of the Introduction, which discussed the ILO's concerns with regard to structural adjustment, the multidisciplinary teams could only be effective if the concerns of workers, employers, and member States were also reflected. The decision to reduce the activities for the hotel industry and the internship courses of the International Institute for Labour Studies did not appear to reflect the concerns of the ILO's constituents. It was the philosophy behind those decisions, rather than the decisions themselves, that worried the Employers.

11. Getting closer to reality also had sectoral considerations. Since the end of the war, the ILO had developed important sectoral activities that were outstanding because they involved action and direct contacts with industry. However, the system being used was still the one that had been developed in the years following the Second World War. Sectoral activities should continue to be stressed, but they should be subjected to an in-depth review in order to ensure that they fulfilled the needs of the ILO's

constituents today. Perhaps this reflection might be performed by officials of that department themselves during 1993.

12. Concluding with the same question that they had posed in February 1992, the Employer members wondered whether the ILO had the means to implement its policies. The Employers had never suggested that there should be a specific category of programmes or activities that should be eliminated in case of difficulty. Given its lack of resources, the Organization would have to set clear priorities, and decide upon criteria that would help to reduce spending, should that prove necessary. Such an exercise would prepare it to cope with the expected turbulence in international life. The administrative structure of the Office would also have to be examined in depth. Although the brevity of the major programme on General management was welcome, continuation of the status quo was not desirable, and reform was necessary.

13. The Employers were not convinced that achieving interdepartmental cooperation was best done through the creation of a special bureaucracy for that. There were other, more flexible, means available. They suggested that independent external consultants proposed by employers' and workers' organizations, or by member States, might better aid the Director-General in his task.

14. The Employers emphasized that the Organization's staff were its principal resource and were uniquely qualified to carry out its objectives throughout the world. It was the Director-General's responsibility to mobilize the staff. There appeared to be a problem of communication between the management and the staff, in both directions. Appointment procedures were extraordinarily bureaucratic. The Employers took note of the Director-General's willingness to discuss all these matters with the Governing Body.

15. Although they might have approached the budget proposals with a little too much ambition, the Employers wanted to ensure the success of the ILO beyond the turn of the century. They felt that structural changes were necessary, and that the Organization should be mobilized around a central theme, employment, and all its structures should be adapted to that goal.

16. Mr. Vanni, for the Worker members, said that the Programme and Budget proposals for 1994-95 included many activities which were particularly relevant in view of the challenges arising from the world of work today, and he congratulated the Director-General on the clear and frank language of the document. The Workers identified themselves closely with the three main aims on which the proposals were centred, as they represented the three fundamental pillars of trade union activity: the promotion of democracy, the fight against poverty and the protection of workers. However, it should be emphasized that the ILO had been founded in 1919 to promote and defend the interests and conditions of workers first and foremost. Certainly, this goal was closely linked to the democratization of institutions and the fight against poverty, but even in a member State where democracy was guaranteed, the protection of the rights of workers and consequently the role of the ILO in this respect, would always be necessary.

17. The challenge of promoting democracy and fighting poverty was shared, fortunately, with a number of other UN specialized agencies. The ILO had the principal and specific mandate within the UN system of promoting the protection of workers, and this should be clearly and adequately reflected in the budget proposals, in standard setting and in technical cooperation. In this sense the ILO should identify what would be the best and most effective contribution it could make to the process of democratization. There was no doubt that the specific contribution of the ILO in this area was the promotion

of freedom of association. The standards, procedures, supervisory machinery and technical assistance that the ILO had developed in this regard were unique and provided the essential conditions for the democratization of institutions. Unfortunately, it had been proven over time that even when political democracy was achieved, there would always be a need for the ILO to ensure respect for freedom of association.

18. As regards priorities, it was not enough to speak in general terms. For example, all agreed that the ILO should regard the fight against poverty as one of its main objectives, but there might be disagreement on how this could best be achieved. It was clear that the tragedy of increasing poverty would never be reversed unless there was a sincere determination to adopt and apply firm policies of full employment, as several governments of the developing world had already done. The establishment of social safety nets and basic social protection networks for the weakest and most vulnerable social groups was the other vital pillar in the fight against poverty, particularly for those without jobs or incomes.

19. The ILO should, first, do all it could to mobilize resources to support and encourage member States in their efforts to develop and apply such policies, and it should give priority to making available to governments its technical services, specialized advice and experience in legislative reform and vocational training. It should try to demonstrate to national authorities that it was wrong to follow an exclusively monetarist policy in the fight against inflation in the belief that all the rest would follow automatically. After some 15 years of such policies, in a number of countries unemployment and poverty were higher than ever. There should be an immediate return to active and positive policies of full employment, accompanied by short and medium-term training programmes, including management training. The ILO should also commit its budgetary and extra-budgetary resources to the same objective.

20. Secondly, with regard to the growth in the numbers of poor and jobless, the Organization should help more in developing national networks and new formulas for providing basic social protection, as well as systems of economic and social solidarity such as cooperatives. With regard to structural reforms, it was not for the Office to either push or block decisions concerning structural adjustment. Rather, it should assist member States in foreseeing, avoiding and mitigating the negative consequences of adjustment measures, especially for disadvantaged groups. But for the Office to fully realize its role, governments and especially intergovernmental funding agencies needed to recognize that the ILO was not there just to repair the damage afterwards. It should be invited to play its proper role in the development of international economic and social policies and programmes.

21. The informal sector was an undesirable but inevitable solution for millions of unemployed, and in this sense represented an important element in the struggle against poverty: it was not for the ILO to contribute to the expansion of the informal sector, with its deplorable conditions, nor should it try to eliminate it. The role of the Organization was to help combat poverty, exploitation and misery among informal sector workers, as well as to respond to their lack of productivity and qualifications, particularly by providing training programmes and promoting safety and health at work, and it should assist in creating social security protection and decent working conditions in the informal sector generally. It should also facilitate the integration of this sector into the national economy and society in general, to which it made a dubious contribution at present. The Workers would like to see the Office focusing its resources more to support and encourage national full employment policies and social protection, rather than devoting its funds

to small material assistance projects, of which there were still too many in the proposed programme.

22. The Worker members believed strongly in the crucial role of tripartite cooperation for the harmonious and orderly development of society. Dialogue and social consensus, especially in times of crisis, were the most effective instruments in the search for lasting solutions to economic and social problems. With the fall of the centrally planned economies there had been a rise of extreme neo-liberalism, which had led to increased conflicts between workers and employers and which threatened tripartism, even in places where the values of social dialogue had reaped progress and gains for all. The Office should strengthen its catalytic role and help to reactivate effective tripartism, perhaps through the active partnership policy, where this process might have temporarily stalled or slowed down.

23. Although the Workers were in general agreement with the priorities outlined in the programme and budget, there were inadequacies in certain areas. With regard to the multidisciplinary teams, they fully supported the Director-General's proposals for an active partnership, as this would enable the social partners to be actively and directly involved in all phases of work in the field. The Worker members agreed with the concept of the teams, with their proposed composition, geographical distribution, and the mandates and tasks assigned to them. Moreover, it would be useful to know more on how they would function in practice. The hierarchical structure proposed appeared complex and top heavy, and could affect the effectiveness of the decision-making process and the operation of the system. The Workers' group was concerned about this question, particularly as it might affect the Workers' activities major programme. If the identification of objectives and priorities, the approval of projects, the management of resources, recruitment of experts and certain aspects of implementation of these projects were to be carried out in part in the regions from now on, it was unclear how the Director-General intended to ensure in practice the consultation and coordination which was currently done in Geneva. While not wanting to call the general principle of the teams into question, the Worker members sought reassurance from the Director-General that consultation and coordination with the Worker and Employer members of the Governing Body would continue on the present basis: it was inconceivable that a department of qualified officials in Geneva would no longer play its full role, or that the political responsibility of the Workers' group of the Governing Body in determining programme orientations and priorities would be jeopardized. They were also concerned that the regional offices were not sufficiently equipped to develop or coordinate programmes with workers' organizations. While the creation of the multidisciplinary teams was an important means of improving tripartite consultation in the development of activities in the field and of supporting their implementation, the Workers did not want to have the political responsibility and coordination of their activities dispersed in the regions and subregions.

24. The new themes proposed for interdepartmental projects looked promising: they represented areas which clearly involved the competence of several departments of the Office, but it was unfortunate that the report on the 1992-93 interdepartmental projects could obviously not be prepared in time to allow for an assessment of the results of the current projects.

25. The general thrust of the programme and budget proposals was in line with the principal objectives of the ILO's mandate: the development of standards and the strengthening of tripartism. However, the policy guidelines were not fully reflected in the resource allocations for the various major programmes: there was a gradual but steady reduction in resources for

industrial activities and the allocation for the programme on standards was about the same as for the 1992-93 biennium.

26. The Office should give more details on how the increase of resources for the regional programmes had been absorbed in the general budget. Although it was acceptable to transfer certain tasks and technical activities to the regions, there should be full coordination between Geneva and the regions in terms of the policies and objectives to be followed. After two or three years of experience there should be an evaluation of the impact, the effectiveness and the results of transferring responsibilities to the field.

27. It was disappointing that this was the third consecutive biennium for which a zero-growth budget was proposed. Everyone knew that a zero-growth budget was not sufficient to implement the mandate of the ILO properly in the current circumstances of rapid social, political and economic change. The last three years had seen a number of social and political upheavals which had radically changed the lives of workers in many countries. Events in Africa and eastern Europe, accelerated economic reforms and structural adjustment programmes had been accompanied by an increase in unemployment and social misery. There had been an unprecedented wave of requests for ILO assistance in the field of labour law reforms. The growth of regional integration had deeply changed the economic and social conditions of millions of workers. These trends and developments would not stop at the next biennium, yet the response of the Organization to these enormous challenges was zero growth. In reality, even the zero-growth budget had not been maintained, as shown clearly by the considerable reductions just approved in the budget for 1993. This signified that the Organization had no operational reserves or flexibility, which in turn meant that it was extremely vulnerable financially. The Worker members were very disappointed with this situation of continued stagnation and decline, especially when the Director-General, in presenting the 1992-93 budget proposals, had stated that positive real growth was needed to maintain the capacity of the Organization.

28. The representative of the Government of France acknowledged that the proposals embodied the priorities and objectives of the Organization discussed at previous Governing Body sessions. The relationship between international labour standards and the ILO's programme of technical cooperation had been clearly outlined in the proposals and the three priority areas identified by the Director-General - democratization and human rights, the struggle against poverty and the protection of workers' rights - represented priorities common to governments, employers and workers alike. There had already been general agreement on these priority areas, and it was difficult to follow the arguments or understand the regret expressed by the Employers' spokesman who felt the issue of employment had not been adequately addressed. The injustice of poverty necessarily meant a struggle for the creation of employment. Workers could not be protected if they were not employed. These questions were of significant importance worldwide, and while they were common to many United Nations agencies, they affected issues at the core of the ILO's mandate. The proposals represented a positive and realistic attempt to respond to these challenges.

29. The ILO's unique tripartite character gave it an important advantage in the discussion of these issues. The task was to determine if the new proposals were capable of achieving the redefined objectives presented in the proposals and to determine to what degree the proposed budget would allow for their implementation. The transfer of financial and intellectual resources from headquarters to the field would undoubtedly bring the Organization closer to its constituents and assist in making the various regional programmes more readily operational. At the same time two precautionary measures were needed. Adequate headquarters control should be exercised over the process,

especially over financial transfers and modern computer technology should make that possible and the regional activities should not, for the sake of autonomy, distance themselves from headquarters and digress from principal objectives. Controls should be set up and reviewed regularly.

30. The exact role of the multidisciplinary teams in the various regions needed to be clarified. Were they simply to control and organize existing regional programmes, or would they actively participate in them? The teams were to operate in regions where various projects and programmes were already operational. They were useful only to the extent that they added something to what existed. They should also advocate international labour standards. If this was done properly, they could make a valuable contribution to the work of the ILO in the field.

31. Taken as a whole, the Programme and Budget proposals for 1994-95 were a commendable response to the new directions to be taken by the Office, but they would need to be managed carefully if they were not to detract from other activities.

32. The representative of the Government of the United Arab Emirates expressed his appreciation for the comprehensive Programme and Budget proposals for 1994-95. Regional multidisciplinary teams were a welcome innovation, as teams in the field were more responsive to regional problems and were able to participate more actively in regional consultations and projects. It was important that the functions and authority of the multidisciplinary team, the regional office and the respective technical departments at headquarters be clearly defined. Duplication of responsibilities was to be avoided, and any activity falling outside the authority of the regional team should be handled at a higher level. However, a regional presence was most important, and it would be more appropriate for the Regional Office for Arab States to return to the Middle East region, perhaps to Beirut. A regional office operating from Geneva was not entirely satisfactory and could only adversely affect the performance of the team and ultimately the realization of regional projects. If it was not feasible to return the regional office to Beirut, perhaps the Office could consider other Arab countries such as Kuwait as alternative sites. He emphasized the importance of providing support to labour administrations in the Arab region. He also supported efforts to create job opportunities and work in the area of migration.

33. He thanked the Office for the Arabic translation of the Director-General's Programme and Budget proposals for 1994-95, which had arrived in ample time for review and he hoped that other ILO documents could also be translated into Arabic, especially those on labour standards, labour statistics, manpower planning, occupational health and safety. However, he strongly opposed the proposed abolition of the post of Chief Interpreter. Interpretation facilities were of paramount importance, and he was sure that a reduction in resources for this activity would disappoint most of the Arab-speaking countries.

34. The proposed increase in the number of technical cooperation projects for workers in Palestine and the occupied Arab territories was an encouraging move, even though the overall level of cooperation was still quite modest. Perhaps the Office could develop a programme on post-Israeli occupation similar to the programmes developed for post-apartheid South Africa.

35. The representative of the Government of Tunisia observed that the Programme and Budget proposals for 1994-95 again reflected a zero-growth constraint and were being considered at a time when the Office faced financial difficulties. Nevertheless, and even though more resources were being

allocated to multidisciplinary teams and the policy of active partnership, the Office should not forget that technical cooperation remained one of the cornerstones of ILO activity. Developing countries were of course the main beneficiaries of these programmes, which should not be reduced, particularly in Africa and the Arab States.

36. Mr. Nasr, an Employer member, remarked that this was the fourth consecutive zero-growth budget, and this at a time when many countries needed more than ever the ILO's services in areas such as employment promotion, the elimination of poverty and the problem of migration to urban areas. Yet the ILO could not expand its activities because member States, particularly the large donors, had imposed a zero-growth budget, ostensibly because of worldwide recession. How bad was this recession really? Admittedly, real growth had slowed in the developed countries, which contributed a great deal to the budget, but the general standard of living was still much the same. On the other hand, many developing countries had seen an increase in unemployment and a deterioration in living standards, exacerbated in many cases by political turmoil.

37. Committee members from the western world should persuade their governments of the need to provide resources for the ILO to expand its activities. The current zero-growth regime might not necessarily reflect a lack of confidence in the ILO, for many of those same developed countries were contributing bilaterally, through the ILO, to the financing of extra-budgetary technical cooperation. Nevertheless, a certain feeling of despair and resignation seemed to be growing, not only at the public level but also among senior management in the ILO. There was a lack of activities which could raise the enthusiasm of countries to make a greater contribution. Perhaps if the ILO was promoted more by the regional offices in the developed countries the activities of the Organization would take on a higher profile, and it would be able to continue its work, especially in the area of combating poverty.

38. The representative of the Government of Germany supported the main themes of the Programme and Budget proposals for 1994-95 which reflected the consensus in the preliminary discussions in 1992. It was gratifying to see the movement of resources from headquarters to the regions now under way. The implications of this move were far-reaching, but the whole concept of regionalization had already been endorsed by the Governing Body. He also supported the modest assumption relating to cost increases. The programme of the Organization should reflect the political will to reach people.

39. The discussion on the proposals should consider not only the financial but also the human resource implications of the programme as a whole. The introduction of multidisciplinary teams was a promising move, but their composition should be carefully monitored. More tasks should be given to the regional offices as this would help to ensure that more staff gained field experience. Another of the main proposals for 1994-95, the increased integration of standard setting and technical cooperation activities, was a welcome development.

40. Although he believed that the budgetary process should be based on the assumption that all contributions would be paid, it would be prudent to allow for contingencies by fixing priorities so that the Office could act rapidly in the event of a financial crisis. The process of deciding priorities should be undertaken by the Office but under the supervision of the Programme, Financial and Administrative Committee. His Government proposed the use of contingency planning to deal with problems of insufficient income.

41. He recalled that in the original planning of the International Programme on the Elimination of Child Labour (IPEC), which was financed mainly by the Government of Germany, the ILO was to provide increasing funds to this programme, and it was disappointing to see that this had not been done. Mr. Nasr had already remarked on the consequences of allocating insufficient funds for important programmes. His Government was prepared to support the Programme and Budget proposals for 1994-95 as they stood, but urged the Director-General to take account of the views expressed on this programme.

42. The representative of the Government of Kenya thanked the Director-General for the Programme and Budget proposals for 1994-95, which reflected the views expressed by the Committee at its preliminary discussion a year previously. The policy of active partnership and the establishment of multidisciplinary teams were welcome innovations which should yield great benefits to developing countries. For the same reason major programme 140, which included the programme flexibility reserve, was one of the most important elements of the package. He was pleased to give the Programme and Budget proposals for the 1994-95 biennium his full support.

43. The representative of the Government of the United Kingdom warmly supported the proposals, which she felt had embodied in full the key reforms which the Director-General had been gradually introducing. The key aims of the reforms were direct accountability to constituents, a more integrated approach to standards and technical cooperation, more decentralization, and a more flexible and responsive delivery, through the creation of multidisciplinary teams, a reduction of headquarters bureaucracy, greater efficiency in the Office and the Conference, Governing Body, and regional meetings, the modernizing of personnel development, and career planning to develop the experience and skills of staff, and stronger emphasis on evaluation by setting objectives and assessing the impact of activities. It was gratifying also to see that the zero-growth budget translated into nominal cost increases of only 10.19 per cent, which compared well with other agencies.

44. On the other hand, the United Kingdom Government believed that some major programmes needed further revision, in particular those dealing with sectoral activities, standard-setting machinery and the central administrative services. The latter especially needed a radical overhaul. The paper on standards promised for November 1993 should take a wide-ranging, radical and innovative approach to the entire issue of setting, promoting, supervising and reviewing standards.

45. She associated herself with the remarks by the representative of the Government of Germany that it was important for the ILO to be fully budgeted, but at the same time to set priorities, even if it was difficult to do so. She also shared the concern of previous speakers about the operation of the new multidisciplinary teams, and requested information on how they worked in practice. If it was to be successful the policy of active partnership should embrace not only the constituent partners in member States but also the partners in technical cooperation activities, including other multilateral and bilateral donors.

46. She reiterated her general support for the proposals but sympathized with some of the concerns voiced by the Employers, and in particular supported their call for an overall emphasis on employment in everything the ILO did. Employment promotion was after all a basic aim of national administrations and the ILO should aim to ensure that nothing which it did hindered employment growth, but rather promoted it actively whenever possible.

47. The representative of the Government of China felt that the proposals as a whole reflected the results of the preliminary consultation

held in 1992, and also reflected the Director-General's intention to pursue a number of reforms. The five priority themes had of course been defined at the preliminary consultation discussion: international labour standards and the defence of human rights, equality for women, employment promotion and structural adjustment, rural and informal sectors, and environment and the world of work. Although these themes reflected the major problems and challenges facing many countries in the world of labour, some key objectives, such as the fight against poverty, had not received adequate attention. Resources had decreased for key departments such as employment and development, training, industrial relations and others, which was certainly not in line with the results of the preliminary consultation. Mr. Oechslin had earlier stressed that employment promotion should be a top priority, and this view had been strongly supported by many others. Her Government also supported this view.

48. The Director-General had indicated explicitly that the fight against poverty was one of the ILO's three major objectives. In addition, the Committee on Employment had agreed in November 1992 that greater efforts should be made to promote active labour policy and to emphasize the development of training, as these were important measures for the promotion of employment. Unfortunately, these views had not been fully reflected in the proposals, and she urged that programmes concerning priority themes such as employment and structural adjustment and the rural and informal sectors be further strengthened or at least no reduction made in their budgetary allocation.

49. The reinforcement of regional programmes was an important feature of the proposals for the coming biennium. This reform would bring the ILO's activities and assistance closer to member States and would better serve their needs. However, the allocation of resources should be reviewed: on the one hand, the practical means of promoting economic and structural change needed to be taken into consideration since it was taking place in not only one region or one country; on the other, the strong pressure of population growth and poverty could not be underestimated. At present, many developing countries in Asia, Africa and Latin America were facing major challenges caused by population, unemployment and poverty. Urban and rural workers in both the formal and informal sectors needed enhanced protection, more job opportunities and higher incomes. Those regions should be given top priority, especially as the fight against poverty was one of the three priority objectives for 1994-95.

50. Of course, the urgent needs of eastern European countries could not be neglected. The Programme and Budget proposals for 1994-95 set forth new measures for the establishment of multidisciplinary teams based on the active partnership policy, and in response to the expectations of member States regarding the assistance they were to receive from the UN system as a whole. Paragraph 11 of the Introduction stated that the teams would work in close collaboration with the ILO's external offices, but their efforts would have to be coordinated very carefully with the regional office and headquarters departments to avoid overlapping in responsibility, function and decision making. In the programmes concerned with the activities of the teams, more consideration should be given to geographical and population balance. The teams in Asia were all deployed to the south of the Tropic of Cancer, yet countries in central, north and north-east Asia were passing through an important stage of transition towards market economies. The ILO principle of universality should be applied.

51. With the world now undergoing drastic political, economic and social change, the ILO needed more than ever before to make a greater contribution to safeguard the interests of all member States and workers. A structural reform

of the ILO was necessary. The Committee should bear in mind the aim of social justice as it decided on the Programme and Budget proposals for 1994-95.

52. The representative of the Government of the United States said that, as a major contributor, the United States had a major stake in the success of the ILO, and had always supported its basic philosophy and the principle of tripartite representation. It was gratifying to be presented with a budget reflecting zero real growth, which reflected good management and an effective setting of priorities. The cost increases were relatively moderate, especially in comparison with other organizations, but they could have been even lower, and the Office should continue to work to ensure maximum absorption of costs in the next biennium.

53. The active partnership programme was a welcome development which would bring the ILO closer to and provide more effective services to tripartite constituents in member States, while streamlining the Geneva headquarters. He was happy to support the moves to accomplish this through the development of multidisciplinary teams, to adapt to the new directions in United Nations development assistance policy, and to make the ILO's technical cooperation more coherent and coordinated.

54. The Workers had expressed the hope that policy direction would be maintained in Geneva and not dispersed, but the active partnership programme and multidisciplinary teams should make the field more and not less responsive to central policy direction and would ensure that basic ILO goals and the human rights enshrined in standards were reflected in all ILO technical cooperation.

55. The Employers' concern about employment promotion was also understandable, but the major themes of the proposals were well chosen and incorporated many activities to promote employment. He supported the continuing efforts, through the interdepartmental programmes, to improve the coordination of headquarters activities, to break down the compartmentalization of activities and to increase administrative flexibility. Member States would await with interest the more detailed analysis of the results of the first round.

56. The ILO's efforts, particularly the work of the Employment and Development Department and the Industrial Relations and Labour Administration Department to help certain member States strengthen labour administration and tripartite activities so essential to their democratic transformation were especially commendable, as was the continued and increased attention to women workers' questions. He encouraged the ILO to work closely with the International Monetary Fund and World Bank in addressing the social consequences of structural adjustment and the dilemma of the informal sector. He also expressed support for the work of the International Labour Standards Department, especially in implementing the basic human rights enshrined in standards and in coordinating technical cooperation provided to member States in this regard. He agreed with the priority given in the proposals to sectoral activities and meetings, but looked forward to more in-depth analysis of this activity. Field and regional programmes should be strengthened by the active partnership programme, particularly in the Americas region and in the Arab States subregion, including in the occupied territories. The ILO's work on child labour was very important, and the generous contribution of the Government of Germany to this work was especially appreciated.

57. The representative of the Government of Japan expressed appreciation for the efforts of the Director-General and his staff in the preparation of the Programme and Budget proposals for 1994-95. It was gratifying to see the increased emphasis on field programmes and the consequent shift of resources

from headquarters to the regions, although some matters should be re-examined by the Office.

58. The increase in the regular budget for technical cooperation (RBTC) for Asia and the Pacific was disappointingly lower than for other regions. Asia and the Pacific sustained a majority of the world's population - 53 per cent - and the majority of people in this area were poor. Continuous technical cooperation was indispensable in the Asian region, which had been expanded by newly joining member States, and therefore the distribution of RBTC to the region needed to be increased.

59. If the ILO continued to prepare the budget proposals in such a way that cost increases were added due to inflation, member States which had to restrain the total amount of their national budget subject to their economic growth might not be able to pay their contributions in the future. If the cost increase was regarded as fixed, it should be taken into account in making budget proposals and the concept of the budgetary scale should be reconsidered.

60. Moreover, technical cooperation had to reflect the needs of member States. The concept of active partnership was clear, but the establishment of multidisciplinary teams as a measure to realize active partnership left various questions to be answered. The first concerned the cost-efficiency of the multidisciplinary teams' approach to technical cooperation. It was not clear why the cost-efficiency of technical cooperation by multidisciplinary teams was expected to be superior to former methods. The establishment of multidisciplinary teams required a considerable increase in the number of experts, which would make it difficult to secure experts whose abilities were adequate. If the quality of experts was not maintained, instructions from headquarters would be necessary; this would strengthen dependence on headquarters rather than the authority of offices in the region. There was also the question of how the role of the regional office and the system of management of technical cooperation activities in the region would be changed by the establishment of multidisciplinary teams, and how multidisciplinary teams would affect the management of manpower and financial resources of ongoing technical cooperation programmes. The Committee had not been given sufficient explanations concerning these questions, nor had the criteria for the establishment of multidisciplinary teams been described. It also appeared that preparation for the introduction of the multidisciplinary teams had already been made in each region, despite the fact that newly proposed items in the programme and budget were supposed to be implemented only after its adoption by the Governing Body and the International Labour Conference.

61. The representative of the Government of India appreciated the effort to revitalize the ILO through several of the proposals under discussion, which showed a sense of purpose and direction from which the ILO would benefit greatly.

62. These were the proposals concerning the promotion of democracy and the transition to a market economy, the alleviation of poverty, assistance for structural adjustment and the protection of workers. The representative of the Government of China had already pointed out that problems of transition to a market economy and structural adjustment were being faced by many developing countries which had embarked on the process of privatization, deregulation and liberalization. India was one such country. While implementing structural changes, it was the policy of the Government of India to fully protect the interests of workers. The ILO could and should play a significant role by supporting the national efforts of India, as well as other developing countries, which had taken similar paths. In this connection, he hoped to see greater emphasis laid on employment promotion.

63. At the policy level, the proposals emphasized the need for the ILO to concentrate on fulfilling its core mandate. This recurring theme in the proposals had created the impression that those aspects of ILO activities not pertaining to this core mandate were not important or relevant and that the ILO would do better to terminate them. While the central ILO activities should be intensified, their scope should not be reduced. The ILO should also pay adequate attention to those activities which, though not directly connected with the core mandate, would nevertheless be signifcant to individual member States and would strengthen the Organization in the long term. The ILO should refrain from putting itself into a straitjacket, and should remain responsive to the needs of its Members.

64. The proposal to set up multidisciplinary teams in various regions was welcome as a greater degree of decentralization would make ILO activities more responsive to local needs. In particular, it was gratifying that the South Asia multidisciplinary team would be stationed in Delhi, and the ILO was assured of India's full cooperation in this regard. He asked the Director-General to make maximum use of regional talent in staffing the various external offices as well as in the multidisciplinary teams. Such personnel would be in a better position to understand the peculiar problems of the region, enabling the ILO to respond more effectively to challenges.

65. He was concerned that in most technical programmes there would be reductions in real terms. The Government of India placed great importance on technical cooperation and technical programmes for developing countries, and he asked the Director-General to see how such a reduction could best be avoided. Many other developing countries held a similar view.

66. Although the increase in resources for central and eastern Europe was justified, the interests of other regions should be protected so as to avoid diversion of resources from one region to another. While the proposed increase in the allocation of funds for international labour standards was acceptable, there should not be any diversion of resources from technical cooperation for this purpose. This matter had been discussed in the past, and it was now generally accepted that the link between technical cooperation and international labour standards was a positive one. The extension of technical cooperation, focused on basic social and economic issues such as poverty and unemployment, would create an environment where countries would be better able to apply standards.

67. The representative of the Government of Australia considered that the proposals heralded highly significant changes in the structure of the ILO. The choice of key themes and objectives showed a serious effort to address the important challenges facing the Organization, which was all the more difficult to do in a zero-growth budget. In some areas, however, the proposals fell short of the extensive and bold reforms required for the ILO to influence and respond to the political, economic and social changes that were transforming labour markets worldwide: much remained to be done, and continued efforts were needed to focus the ILO's work on the key issues so as to make the most effective use of its resource base.

68. The proposals included a number of positive innovations: the way in which the key concerns had been integrated into the major technical programmes and field operations; the active partnership policy; the emphasis on tripartism through the allocation of increased resources to employers' and workers' activities; the reorientation of technical departments and regional activities to focus more closely on providing technical advisory services to constituents including through multidisciplinary teams; the increase in resources available to the field; and the emphasis on new arrangements for reporting and evaluation which were very much in keeping with the reforms

proposed at the International Labour Conference and at regional conferences. The links between technical cooperation and the ILO's advisory services would help efforts to promote social development and social justice. The active partnership policy would require a commitment, on the part of ministries of labour and employers' and workers' organizations, to work closely with the ILO to formulate objectives, including joint activities at the country level. The reforms would also help the ILO to respond more rapidly and effectively to the needs of its constituents and, despite the uncertainties surrounding the inception of the teams, they would be replacing a field structure that was now largely unsuited to dealing effectively with the complex, emerging needs of constituents.

69. His Government also strongly supported the increased attention given to employers' and workers' activities, which would support their ability to contribute independently and effectively to national and international debates.

70. However, some aspects of the proposals were less positive. Higher priority should have been attached to the employment and social security major programmes: the promotion of employment was regarded as only one of several priorities for the ILO and, while the programme had been restructured, it was doubtful that this would result in more actual field work, as the regional teams were to be disbanded in favour of the new multidisciplinary teams, and a more substantial response was needed to the very profound problems. Social security was also a key ILO activity in the context of structural adjustment, yet it remained one of the smallest programmes and seemed ill-equipped to meet increasing needs in this area. Greater savings could have been made in management, administrative and support programmes, which accounted for 30 per cent of the budget: here it seemed that the full scope for savings had not been realized, which was surprising in view of calls by a majority of the Programme, Financial and Administrative Committee over the past few years for a review of the General management major programme. The ratio of Professional to General Service staff was still inappropriate: Professionals at headquarters and in the field responsible for policy analysis and advisory services represented only one-third of the total staff, and the field structure seemed to have a high number of General Service staff. The ILO's staffing structure and policy needed to be reviewed in the light of the needs of constituents. More emphasis could have been placed on activities to revise existing international labour standards and to promote their role in social and economic development: in his Preface, the Director-General recognized the need to take a fresh look at the ILO's standard-setting activities, but this had not been followed through, although the Governing Body awaited with interest the paper on standards promised for its 258th Session in November 1993. The proposals failed to answer the allegation that international labour standards were obstacles to growth, adjustment and job creation, an issue at the heart of the ILO's need to demonstrate its relevance. He was pleased to note that the International Institute for Labour Studies was addressing the role of standards.

71. The representative of the Government of Denmark approved the method of discussing programme and budget proposals on the basis of a preliminary consultation paper. The present proposals might be slightly less ambitious than the preliminary consultation paper, but they might better reflect the realistic possibility for change. They corresponded to what the Committee had asked for. The three key themes identified in the preliminary discussion had been resumed in the proposals: the definition of major objectives, adaptation to the major changes in the financing of technical cooperation, and the notion that certain programmes should be curtailed so as to focus more sharply on the core mandate of the ILO, within the limitations of zero real growth.

72. He approved the increases for the regional major programmes, advisory services and employers' and workers' activities, and the decreases in administration, documentation and meetings. In setting priorities during the discussion of the major programmes, the Governing Body would provide the Director-General with guidelines to use if there were to be a need to cut activities back later. The discussion on each major programme would also be an opportunity to chart a new course for the Organization's activities in the context of economic difficulties in many countries and reforms in the United Nations, especially with regard to technical cooperation. The ILO should focus more on activities in which it had a comparative advantage and in which it could provide relevant policy advice. The active partnership policy and the establishment of multidisciplinary teams were two welcome developments that reflected a commitment to reform seldom seen in other agencies.

73. Other reforms in the programme and budget proposals included: a fresh look at standard setting, changes in the work of the International Labour Conference and the Governing Body, the new arrangements concerning the management of ILO activities in the field, and especially the development of the Organization's human resources. The Office would have to think carefully whether or not changes in programmes called for similar changes in staff. The three new interdepartmental projects were welcome, especially the one on Environment and the world of work, and in the same major programme the Programme flexibility reserve had proved its worth. He agreed with the comments by the United Kingdom Government representative concerning sectoral activities and financial and central administrative services. It was necessary for the ILO to remain a centre of excellence and preserve its analytical capacity. Taken as a whole, the proposals for 1994-95 were well balanced and imaginative and he supported them in full.

74. The representative of the Government of Canada supported the three broad principles on which the Director-General had based the proposals. He also welcomed the three proposed interdepartmental projects and was pleased with the ILO's response to the new technical cooperation policies of the United Nations. The concept of the multidisciplinary teams seemed well justified, although it was not quite clear how they would work out in practice or how effective the recipient States would find them. Continual monitoring and prompt evaluation of their work would be essential. It was disappointing that so few changes were proposed in sectoral activities, which needed major restructuring, or in the standards department, where it was by no means certain whether decisions to be taken at the November session of the Governing Body could be introduced in 1994-95. The Office had responded to the call for continued zero real growth, but it should continue to absorb cost increases as much as possible. Major programme 170, one of the largest programmes, should be the first examined in the search for further savings.

75. The representative of the Government of Bangladesh thought the Programme and Budget proposals for 1994-95 reflected a balance between the objectives and the limitations within which the ILO had to operate. The ILO should do more to strengthen the government agencies dealing with its programmes, particularly those concerned with the adoption and application of standards. Member States should be assisted with training facilities and modern equipment for labour market information, labour inspection and safety and health programmes, perhaps by increasing resources under major programmes 70, 80 and 90. Efforts should be made to find links between complementary activities such as major programmes 60 and 150. Any savings achieved could be applied to expand activities concerning migrant workers and the informal sector under major programme 140. In view of the process of structural adjustment taking place in many countries like Bangladesh, the ILO should increase its technical cooperation work to handle such issues as the deployment of surplus labour, new labour legislation and the creation of job

opportunities in both the formal and informal sectors. He supported the Director-General's efforts for closer relations between the ILO and the Bretton Woods institutions.

76. The representative of the Government of Belgium appreciated the efforts of the Director-General in the preparation of the proposals, particularly the plans for decentralization and the establishment of multidisciplinary teams. Nevertheless, other features gave rise to concern. Firstly, international labour standards should be kept up to date according to technical cooperation needs, while remembering that standards based on consensus have most authority. It was necessary to simplify and to be selective in the supervision of standards. It was absurd that the system should become clogged with its own output. Secondly, the ILO's role in structural adjustment should be to promote the inclusion of social dialogue and tripartism in the design and management of national programmes, and in their evaluation. Thirdly, it seemed that the ILO's activities in the informal sector could have several multiplier effects, some of which were very important in the struggle against poverty. Finally, the programme on child labour, to which his country contributed and to which it attached great importance, should be subject to proper financial control and evaluation. Subject to these comments, he was happy to support the proposals.

77. The representative of the Government of the Russian Federation supported as a whole the draft programme and budget and was pleased that it had retained the principle of zero real growth, redistributed financial resources to areas of greater priority, and achieved a reduction in administrative costs. For the future the budget should be accompanied by a draft scale of contributions based on the one adopted by the General Assembly of the United Nations. Despite the reservations expressed by some speakers, the proposals laid out clearly the priorities that should be followed, with an active partnership policy as the main idea.

78. The year 1992, a period when Russia had both positive and not so positive examples in its cooperation with the ILO, had shown that a policy of active partnership, to be successful, depended on the social partners in member States and on the partnership between the country and the Organization. This would require a strengthening of the role of regional structures both at headquarters and in the regions. The multidisciplinary teams should not replace, but rather complement the work being done by technical departments. The concrete mechanism of the active partnership policy in all regions should be in line with suggestions in paragraphs 8 and 9 of the draft programme and budget.

79. The activities of the ILO in the next biennium should be concentrated in three priority areas - the process of democratization, the alleviation of poverty and the protection of workers. The Director-General's proposals should make it possible for the ILO to contribute to preventing any return to totalitarianism and to the protection of human rights. He supported proposals on ILO action concerning countries in transition, in which the Russian Federation intended to participate actively. These objectives were consistent with those of the United Nations. It was important to make the work of the ILO more accessible to those who could benefit from it, for example by increasing translations and the wider distribution of publications, and the preparation of guidelines in different areas adapted to different countries. The Office should also make available to the members proposals concerning reform in the standard-setting and sectoral activities of the ILO. He asked for clarification of how the structure of the Office would adapt itself to respond to the change, including unfavourable external environment. More detailed comments would follow in the discussion on individual

programmes, but at this stage he expressed support and confidence in the work of the ILO in the 1994-95 biennium.

80. The representative of the Government of Argentina was pleased that the Programme and Budget proposals for 1994-95 were once again based on zero real growth. Governments needed international organizations to reduce their expenditures. The ILO was right to focus on the core activities of its mandate and not trespass on the work of other international organizations in the UN system. The priority objectives chosen by the Director-General - greater democratization, the alleviation of poverty and the improvement of working conditions - were in line with this general principle and were fundamental to the development and promotion of international labour standards. In that sense they should become permanent priority goals of the ILO so as to achieve social justice on a wider front.

81. The three projects chosen for major programme 140 were to be encouraged, but often the informal sector was without doubt the most important. The problems of migrant workers were felt only in certain parts of the world, while projects to improve the working environment, which affected the economies of many countries, were being carried out not only by the ILO but also by other organizations in the UN system. In view of its limited resources, the ILO should devote its attention to what was most essential. The policy of active partnership and the development of multidisciplinary teams were welcome innovations which could improve the ILO's effectiveness in the field. Nevertheless, care would be needed in selecting the personnel for these teams and deciding their activities if they were not to become like many others - long on intentions but short on results. The application of standards was a major objective of the Organization, and there was a dialectical relationship between technical cooperation and international labour standards. He agreed with the Employers that in today's world the dominant theme of all ILO activities should be the promotion of employment. He was pleased to support the proposals as they stood.

82. The representative of the Government of Cameroon expressed her appreciation for the Programme and Budget proposals for 1994-95. which fairly reflected suggestions made in recent sessions of the Governing Body and the International Labour Conference. The changes to both the structure and the functioning of the Organization were a move in the right direction, and she expressed full support for the policy of active partnership. The risk that the multidisciplinary teams would not work smoothly with headquarters was minimal because the Director-General could be trusted in his choice of highly qualified staff familiar with the objectives of the ILO. The geographical distribution of the teams should take into account the characteristics of each subregion, in particular the central African subregion, which seemed to have been forgotten in preliminary plans; for example, the Area Office at Yaoundé needed to be strengthened because it covered a vast territory with widely varying needs. On the other hand, it was gratifying to see the extent to which the Director-General had taken account of the financial difficulties experienced by so many countries, especially in Africa, and she joined previous speakers in calling for the full support of the ILO for programmes related to technical cooperation in view of the precarious situation of developing countries throughout the world, and in Africa in particular. Activities concerned with the alleviation of poverty should be among the highest priorities. This scourge affected more than one billion human beings around the world, and the promotion of employment was the best way to combat it. She also welcomed the attention given to reinforcing the ability of ministries of labour to play their full part in political, economic and social decisions. Subject to these comments she was pleased to endorse the Programme and Budget proposals for 1994-95.

83. Mr. Kebe (Worker member), expressed appreciation to the Director-General for the document submitted to the Committee. The priorities expressed in the document gave sharper focus to the activities of the ILO at a time when the world was subjected to substantial political, economic and social change. The ILO should make every effort to continue technical cooperation activities in developing countries even though they might have to be adapted to take account of local conditions. The new policy of active partnership was a step in the right direction, but member States should not feel that the ILO was imposing itself on them. The success of the ILO, compared to other organizations of the United Nations system, was due to regular consultations with its constituents. The multidisciplinary teams, five of which would be deployed in Africa, should make a substantial contribution to the work of the ILO, although great care should be taken to ensure that they did not become a simple bureaucratic extension of headquarters. They should carry out real work in the field and not be simply an army of missionaries giving advice. The ILO for its part should be careful in determining the composition of the teams and should choose only experienced staff willing to work in the field. It was the best agency to deal with social problems of this sort, and he endorsed the proposals.

84. The representative of the Government of Nigeria thanked the Director-General for the clear and imaginative proposals. They responded to many of the needs of member States, and would enable the ILO to adapt to the major changes taking place with regard to the financing of technical cooperation activities. The major objectives set out in the proposals - the advance of democracy, the alleviation of poverty and the improvement of workers' protection and working conditions - were especially relevant to Africa, and he was glad to see them given such prominence in activities for that region. He was also pleased that the ILO intended to strengthen its cooperation with the International Monetary Fund and the World Bank in order to ensure that social objectives were harmonized with sustainable patterns of growth. Efforts should continue to be made to protect working people, including the progressive abolition of child labour. With the number of jobs diminishing in the formal sector, it was right for the ILO to concern itself with the informal sector as another source for the generation of employment.

85. He welcomed the active partnership policy, and the establishment of the multidisciplinary teams. However, the composition of the teams gave cause for concern. A number of questions needed answers. Would those who would serve in the regions have a real understanding of local problems? Would locals be given the opportunity to serve in their regions? Who would coordinate the activities? Would there continue to be technical advisers? Would there be new technical cooperation projects? These questions were particularly relevant to African member States, as a majority of the teams would be working there. The new active labour market policies programme would affect working conditions, and sufficient resources should be made available to carry out the programme in Africa. The efforts of the ILO to raise the profile of ministries of labour and social affairs was a welcome initiative, as it would enable them to exercise a greater degree of influence on economic and social policy decisions. The Programme and Budget proposals for 1994-95 dealt with many of the issues central to the role of the ILO, and he was pleased to give them the fullest support.

86. The representative of the Government of Italy fully subscribed to the three major objectives on which the proposals of the Director-General were based: the process of democratization, the fight against poverty and the protection of working people. The proposals also showed a willingness on the part of the ILO to adapt its structure to the changes taking place in the world today. The strengthening of field programmes with multidisciplinary teams and the policy of decentralization would improve the effectiveness of

field activities in general. The need for such policies derived not only from a zero-growth regime, but also from the strengthening of the active partnership policy to further the political, social and economic development of countries in which the ILO was actively involved. It was gratifying to see the recognition of the valuable contribution given by the International Training Centre of the ILO in Turin and he looked forward to continuing progress in the programmes concerning interdepartmental projects and the equality of women. However, he cautioned the Office to maintain full control of decentralized activities not only to avoid the waste of resources but also to ensure that the progress of these activities could be reported regularly to the Governing Body.

87. The Director-General considered that the preliminary discussions clearly had the advantage of making the general discussion briefer, and he would therefore reply to the statements in greater detail after the discussion of the individual programmes. His main concern in preparing the proposals had been to present a coherent set of objectives and means of action. Central to the programme as a whole was a concern to promote employment, for only through adequate employment could economic progress and social justice both be addressed and wealth redistributed in the most effective and equitable manner possible. Employment was therefore crucial to the Organization's main objectives. International labour standards were meant to lead towards full employment and better employment. If at a particular time a standard led away from this major objective then the ILO should have the courage to revise it. The three priority objectives of the programme, however, could not be separated, for they reflected a basic conception of human dignity that was specific to the ILO.

88. Twelve months previously the Governing Body had attempted to draw conclusions for the future policy of the ILO from the sweeping changes taking place worldwide in economic and social policy and in technical cooperation. The Office had considered that the main contribution it could make to member States was to help them deal with the issues raised by structural adjustment in their pursuit of the ILO's aims. Hence, the assistance planned to further the process of democratization and the introduction of market economies could not be considered in isolation from efforts in the area of employment policy and the struggle against poverty, while assistance in the development of institutions was intended to help member States develop labour policies aimed at promoting employment and improvements in the quality of working life.

89. Another concern addressed in the proposals was the manner in which assistance was provided, which had resulted in the Active Partnership Policy and the establishment of the multidisciplinary teams. The Active Partnership Policy was intended to bring the ILO closer to its constituents on an individual basis and to tailor its activities to specific requirements identified by member States themselves, while at the same time moving away from small-scale day-to-day activities and towards assistance in policy formulation and programme development. This meant making the ILO's field structure more responsive to the needs expressed by governments, by employers' and workers' organizations, and by the major funding agencies.

90. Such an effort had naturally involved some fundamental considerations: it had been necessary both to adapt existing structures and to innovate. Hence the multidisciplinary teams were intended to bring together advisers in different subject-areas and thereby address a recurrent criticism of the system of regional advisers - that they were not sufficiently coordinated and often had a piecemeal approach to problems that were essentially more radical. The new teams would be able to provide advice on both an individual and a collective basis, provide technical support to technical cooperation programmes, and when necessary provide more general

responses to problems, while at the same time offering stronger links with member States. They were conceived at the outset as likely to evolve with time as constituents' needs changed, for it was not for the ILO to impose any one development model on member States; and they were located taking account of the existing field structure. Each ILO Office would have to deal with a single multidisciplinary team. This was also in line with trends in the regions, where attempts were under way to develop regional structures in the economic, social and other spheres, to which the teams would adapt. This was necessarily regarded as a gradual process that would develop its own rationale with time, and hence the adaptability of the teams was a key requirement.

91. The multidisciplinary teams, however, should not be regarded as missionaries, inspectors, suppliers of services or any externally imposed structure. They were simply ILO officials with the task of helping constituents - governments and employers' and workers' organizations - to develop their institutional capacity, improve the services they provided, and become more efficient, while providing advice on issues connected with the work of the International Labour Organization. For this reason, together with the preliminary consultation paper submitted to the Governing Body 12 months previously, he had also submitted a paper on the links between international labour standards and technical cooperation. The relation between the two was crucial, as was the link, for the Organization had to avoid becoming split into two separate areas of concern which should in fact be complementing one another. This link might sometimes be ambiguous; however, it should be accepted that some ambiguity was bound to persist. The work of the teams would take on different qualities according to the needs addressed, but would be unified at the more general policy level.

92. At the same time, it was important not to neglect the other ILO structures. The ILO offices in the field would remain the main contact for the definition of country programmes and policies, and the multidisciplinary teams would provide support to this work, under the overall coordination of the regional office concerned. This would bring other benefits: closer attention to active partnership would mean that supervision and assessment of activities would be easier; the individual team members would be chosen for their skills by technical departments at headquarters, while at the same time their work would be more closely coordinated with that of specialists in other fields. Not only would the ILO be brought closer to its constituents, but the ILO's field structure would be more closely in touch with headquarters. The active partnership policy was not a policy of decentralization, but rather a means of strengthening the ILO's presence in the fields in pursuit of the objectives of the Organization as a whole, as defined by its policy-making organs. In terms of personnel policy this would entail greater staff mobility - another aim of the reforms - ensuring greater experience among the staff of conditions in member States and of different ILO subject-areas. The aims were to strengthen tripartism, improve the ILO's responsiveness to member States' needs in the field, improve the technical contributions the ILO made to development efforts and to provide greater policy coherence.

93. The Governing Body naturally had a role to play in defining the policy content of the exercise. It would be facilitated in this task by more precise statements of the ILO's objectives in individual member States and regions, and would receive greater feedback on the specific problems encountered in applying such policies. This could hold implications for the work of the Working Party on Improvements in the Functioning of the Governing Body, which was due to meet for the first time the following week: what structures were most appropriate to this new role? The Office had embarked on this new path after the Governing Body's discussions of February 1992, first with a general policy paper, then with a workshop held in Turin, resulting in guidelines that were now being considered by three working parties discussing

the practical implications of the new policy. A further workshop was scheduled in Turin later in 1993, by which time the Governing Body would have adopted the programme and budget proposals. The exercise would take time, for establishing and equipping some 14 different teams was not an easy task, and the Office would keep the exercise as a whole under close scrutiny. The Office was determined to adapt to changing needs, and through the active partnership policy and its multidisciplinary teams it would be better equipped to respond to the expressed needs of its member States and constituents.

Item by item discussion of the programme and budget proposals

Major programme 10 - International Labour Conference

94. Miss Mackie, speaking for the Employer members, observed that detailed decisions had recently been reached by the Governing Body's Working Party on Improvements in the Functioning of the International Labour Conference, which were reflected in the proposals, and she therefore refrained from further comment. However, she requested further information on the impact of the reduction in the length of the Conference in terms of the additional costs it incurred by way of overtime.

95. Mrs. Carr, speaking for the Worker members, fully supported the proposals, which had applied the findings of the Working Party. However, while they reflected those findings, they overlooked the consensus on the reductions that had been reached in the Working Party, which had been based on a spirit of compromise: it had been understood that the basic aim was not to save money, but to rationalize the operation, and that any savings would be used to improve the functioning of the Conference in other ways. No discussion had yet taken place on how such savings might be used, although she had reminded the Office of this understanding and of the need for such a discussion in November 1992. She was therefore disappointed to note that the savings had simply disappeared from the Conference budget before any such discussion had been held: this was improper, as the issue was of major importance for the effectiveness of the International Labour Conference. With this exception, she commended the Office on its constant efforts to improve the functioning of the Conference.

96. The representative of the United Kingdom Government had participated in the Working Party, and was pleased to see the fruits of its work reflected in the proposals - savings of over $1 million, or some 10 per cent of the direct costs and an appreciable decrease in the indirect costs. The final recommendations of the Working Party were the result of a compromise in which all three groups had acquiesced. It had been her understanding that the aim was to make the Conference more effective and to save resources that could be reallocated elsewhere in the budget. As regards the Committee on Action against Apartheid, she hoped that progress in South Africa in the coming months would make it possible to complete the work of this committee, so freeing even more resources for use in other priority programmes, such as technical cooperation in that region.

97. The representative of the Government of Denmark requested clarification on the estimate in paragraph 10.9 that indirect costs were one-and-a-quarter times the direct costs of the Conference. Total savings resulting from the recommendations of the Working Party should thus amount to some $2.4 million. As regards the use of the savings, he would be pleased to see them used for other programmes, in particular activities in the regions.

98. Mrs. Carr pointed out that the discussion on how to use the savings was intended to cover, inter alia, the question of helping member States send full tripartite delegations.

99. A representative of the Director-General (Director of the Relations and Meetings Department) stated in reply to Miss Mackie that no additional overtime costs would result from the new arrangements, as they would affect mostly committee secretaries, who were not compensated by cash payments. The provision for General Service overtime was $110,000, but this amount was less than the savings achieved. In reply to the representative of the Government of Denmark, he explained that it had been difficult to estimate the savings resulting from the Working Party's recommendations, but savings would definitely occur in the indirect costs.

100. Miss Hak pointed out that Professional staff received compensation for overtime in the form of additional leave, which should be regarded as a cost factor.

Major programme 20 - Governing Body

101. Miss Mackie, speaking for the Employer members, looked forward to the findings of the Working Party, which would meet the following week. Pending its recommendations, it would be premature to comment on the proposals.

102. Mrs. Carr, speaking for the Worker members, also awaited with interest the Working Party's findings. Some rationalization had already been made of the Governing Body's work, but here again the aim was to make the Governing Body more efficient, and not simply to save money. However, it might take a year or so for the findings of the Working Party to be put into effect, and it would be useful therefore if the Governing Body could itself now find some way of reducing costs. For example, was it absolutely necessary for Governing Body members to travel on first-class tickets? Business class was quite adequate in most cases, and it would be interesting to learn what savings would result from such a change. Similarly, it was difficult to justify expensive receptions in what were generally viewed as times of crisis, and some cost reductions might be possible here also. These two changes would show that the Governing Body too was prepared to shoulder some of the burden of the crisis. Finally, she requested clarification as to whether the proposals took account of the possible coming into force of the Instrument for the Amendment of the Constitution of the ILO, which would effectively double the size of the Governing Body.

103. The Chairman stated that figures communicated to him indicated that foregoing first-class travel would bring savings of $220,000 for the biennium.

104. The representative of the United Kingdom Government expressed warm appreciation for Mrs. Carr's proposal regarding first-class travel, which she supported.

105. The representative of the Government of Canada fully supported the proposal.

106. The representative of the United States Government looked forward to the findings of the Working Party, and welcomed the proposal by Mrs. Carr.

107. The representative of the Government of Denmark welcomed Mrs. Carr's proposal, which presumably would apply to all non-governmental members of the Governing Body and would not impair its functioning. Could the proposal already be adopted as from the next session of the Governing Body?

108. Miss Mackie stated that the Employer members held some reservations about the proposal. It should be realized that first-class travel was restricted to journeys over a certain length: not everybody travelled first class. Those who enjoyed the privilege had to travel from far distant parts of the globe and from countries with airlines that were not always as punctual as might be desired, and which did not all offer a standard of business class travel that was considered acceptable. Arduous journeys did in fact impair the functioning of the Governing Body, as they meant that members arrived late or in a state that was far from their best. Nor should it be forgotten that among the Employer members at least, some members attended at their own expense in that they had to absent themselves from their normal jobs. The Employer members were quite prepared to join in the general effort to make sacrifices where reasonable, but the issue was not as simple as the response of other speakers had suggested, and the yardstick was not that all should suffer equal misery. However, the proposal concerning receptions was easier to accommodate.

109. The representative of the Government of Argentina supported the proposal regarding first-class travel: the world's best airlines covered all parts of the globe, and their standard of business class was acceptable.

110. The Chairman proposed that the matter be left to the Working Party to discuss.

Major programme 30 - Major regional meetings

111. Miss Mackie, speaking for the Employer members, observed that the new arrangements for regional conferences, which had been applied at the recent conference in Caracas, were still nevertheless experimental, and should be tried again at other Regional Conferences. Some lessons had been learned from the experience, but there were perhaps more to be learnt before the final acceptance of a new system.

112. Mrs. Carr, speaking for the Worker members, considered that the reforms had made for more logical and stimulating regional conferences. In particular, the systematic inclusion on the agenda of an analysis and projection of ILO activities in the region had proved a successful innovation. If the political will could also be found to resume a genuine debate on social progress and hence of the major themes affecting working people everywhere, then the regional conferences would have the potential to become a strong, driving force in the work of the ILO in the regions. She supported the proposed budget and schedule of meetings, as well as the continuation of the practice of holding the regional advisory meetings among Governing Body members in Geneva.

113. The representative of the Government of Australia considered that paragraph 30.4 did not fully reflect the new arrangements for regional conferences, and in particular lacked a reference to the establishment of a committee on ILO activities. Nor did it refer to any Resolutions Committee or to the division of work between committees and plenary sittings.

114. The representative of the United Kingdom Government supported the main thrust of the proposals. However, while it was important to hold the African Regional Conference, which had already been postponed during the coming biennium in view of the fact that Africa was the region most likely to derive the greatest benefit from a regional conference, it was questionable whether it was essential to hold regional conferences for the other regions, especially Europe: the last European Regional Conference had been far from productive, and while he recognized that enormous changes had occurred in central and eastern Europe since then, it was far from obvious that a regional

conference would best answer the needs for discussion, especially in view of the number of other meetings taking place on employment issues in the region.

115. The representative of the Government of Argentina asked why personnel costs were higher for the European Regional Conference than for the African.

116. A representative of the Director-General (Director of the Relations and Meetings Department) replied that the additional cost derived from the number of languages involved, which required additional interpretation and translation staff.

117. The representative of the Government of Ireland observed that the function of regional conferences was to discuss ILO matters as they affected individual regions. Earlier, the Director-General had stated that the field staff considered that headquarters did not give adequate support to the field office, and this suggested that there was a lack of policy guidance. It should be ensured that the findings of regional conferences resulted in guidance to the field structure.

118. The representative of the Government of the Russian Federation considered that it was important to retain the next European Regional Conference in the activities foreseen under this major programme, as it would provide an excellent opportunity to assess the role of the European Regional Conference in view of the recent dramatic changes that had taken place in central and eastern Europe and in view of the new personnel arrangements resulting from the active partnership policy and the new multidisciplinary teams.

Major programme 40 - General management

119. Mr. Oechslin, speaking on behalf of the Employer members, hoped that there would be reforms in this major programme, despite the lack of detail shown in the proposed programme and budget.

120. Mrs. Carr, speaking on behalf of the Worker members appreciated the Office's constant efforts to rationalize the ILO directorate without affecting its capacity and structure. However, she supported the Employers' request for explanations as to the distribution of duties within the directorate.

121. The representative of the Government of the United States requested further clarification regarding the two vacant positions of Assistant Director-General.

122. The representative of the Government of Australia supported the call for clarification as to the workings and the resources of the directorate, and specifically requested fuller details regarding the work of the Special Adviser on Women Workers' Questions, as this function was considered to be of particular importance.

123. The representative of the Government of the Russian Federation reaffirmed his country's position, which had been expressed at the previous session of the Governing Body.

124. The representative of the Government of China supported the proposals for major programme 40, which included provision for the currently frozen positions of Assistant Director-General. Any structural adjustment should be comprehensive and should not relate to individual posts.

125. The Director-General, in response to the request made by the representative of the Government of Australia, suggested that the best solution would be the submission to the Governing Body of a description of the functions of the Special Adviser on Women Workers' Questions. As for the directorate, the major programme included the functions of three Deputy Directors-General who dealt with internal management, technical cooperation and relations and the application of standards. The terms of office of two Assistant Directors-General had come to an end during the present biennium and for budgetary reasons both posts had been frozen. The subject of the structure of the general directorate had been raised on numerous occasions in the Governing Body, but different and diametrically opposed points of view had been put forward, which made it difficult to propose concrete restructuring. For this reason, the two vacant posts of Assistant Directors-General had been retained, and it was hoped that, following further consultations, a proposal could be made to the Governing Body which would take into account both the functional and political dimensions of general management and on which a broad consensus might be reached.

Major programme 50 - International labour standards and human rights

126. Mr. Oechslin, speaking on behalf of the Employer members, said that while major programme 50 was entitled "International labour standards and human rights", it was in fact more concerned with the application of standards than with standards themselves. This he felt was a mistake; the major programme should be involved in the standard-setting policy of the Organization. The Employer members were therefore pleased to see (paragraph 50.12) that in future this department would be responsible for proposing Conference agenda items. Such proposals should reflect difficulties encountered in the application of standards. The Employers also welcomed the remarks (paragraphs 50.14 and 50.15) concerning the problems caused by the massive increase in the number of reports submitted to supervisory bodies. He was aware of efforts currently being made to improve and rationalize the work of the department and of the supervisory bodies. The Employers awaited with interest the results of this exercise and would respond very favourably to reforms in this area. The Committee of Experts on the Application of Conventions and Recommendations should be given more time, in addition to the lightening of their workload. The extension of its session should permit a return to a more collegiate approach in its work.

127. Turning to programme 50.3 (Freedom of association), he emphasized the increasing burden placed on the secretariat as well as the members of the Committee on Freedom of Association, by the growing complexity of the cases submitted. The Employers supported these proposals.

128. Commenting on programme 50.4 (Equality of rights), he wondered if the programme really belonged in this department. While the application of standards relating to equality by ratifying States was appropriately handled by the International Labour Standards Department, it seemed that the specific problem of equality between men and women was a wider cultural problem of training and integration, rather than a failure to apply standards. The action needed must touch more deeply on the different cultural and religious traditions in different countries, and it was hard to see how a global approach could be effective.

129. The Employers had reservations too about the study of the appeals procedures and sanctions mentioned in paragraph 50.38, and particularly the question of whether new standards on procedures and mechanisms should be adopted. ILO standards had always concerned the substance of issues, and had

recognized that procedures had to be linked to the juridical framework of different countries. It was difficult to envisage embarking on standard setting in procedural areas.

130. In connection with the proposed Meeting of Experts on Personnel Policies to Promote Equality of Opportunity and Treatment in Employment, while the Employers welcomed the ILO's initiatives in the field of personnel policy, here again the problems of recruitment and access to employment were better examined within a national, cultural context than against a background of general labour standards.

131. Turning to the question of apartheid, he expressed the hope that in the near future South Africa would cease to be a special, distressing case; that it would rejoin the ILO and that questions relating to it would become part of the regular supervisory procedures.

132. Programme 50.5 (Labour law information), was of particular importance to the Employers. The ILO must play an important role in the dissemination of documentation, particularly in the field of social legislation. Many organizations were disturbed to note a reduction in the ILO's activities in this area, in which the Legislative Series, now discontinued, had been a prestigious publication. The volume of such information had sharply increased, with a growing number of countries, languages, and technical means of dissemination, for example, NATLEX and ILOLEX. Concerning NATLEX, he hoped employers' organizations were to be included in the distribution - paragraph 50.53 mentioned only ILO field offices, government bodies and workers' organizations. Given the increasing economic internationalization which was taking place, more and more enterprises needed access to information on national legislation, and, although perhaps to a lesser extent, to data contained in ILOLEX. That constituted a larger potential market.

133. Mr. Tapiola, speaking for the Worker members, emphasized that the health, viability, credibility and indeed the future of the ILO was dependent on standard setting and supervision. The Workers were pleased that the Director-General had given priority to standards as a primary means of achieving the major objectives for the 1994-95 biennium: protection of workers, improved conditions of work, democratization and alleviation of poverty. The close link between social justice and peace provided the justification for the ILO's existence, and it was essential that sufficient resources be provided for this major programme to carry out its constitutional obligations.

134. It was true that the standards-related workload was growing, due to a higher number of member States and the increasing volume of ratifications, but this reflected the high credibility of the supervisory machinery - a feeling that it worked. In paragraph 50.15 reference was made to proposals for reducing the reporting burden on States, and the Director-General had referred to proposals for rationalizing the supervisory machinery to be submitted to the Governing Body in November 1993. It was important that budgetary provisions should not pre-empt the possibility of future reform; resource allocations must be made now on the basis of present requirements. Logically the debate on reform should have predated the budget discussion. The Office might defuse criticism by giving careful thought to the order in which such discussions were undertaken.

135. Resources for standard setting remained essentially unchanged, apart from a small increase to provide for preparing the proposals for the Conference agenda, an activity in which other departments should actively participate. Other changes consisted mainly in shifting resources among

activities, where care must be exercised to create synergy, not confusion. The Workers welcomed the emphasis on assisting constituents, particularly developing countries and new member States, for example, through increased resources for technical information and advice (paragraph 50.20).

136. Reference was made in paragraph 50.2 to "developing a fully coordinated programme of activities to promote the ratification and application of international labour standards". The Workers felt strongly that such assistance must be fully available to trade unions. Serious involvement of trade unions and their meaningful participation was essential, together with careful tailoring of measures for specific types of assistance to trade unions where, for example, governments were less enthusiastic about respecting standards. The multidisciplinary teams would play a key role here. Standards specialists on these teams would require considerable backup from Geneva, which would mean more investment at both levels, headquarters and the field, and serious efforts to integrate their functions.

137. The relevant headquarters technical departments should provide workers' organizations with advice on standards within their competence, though some departments seemed reluctant to do this. Governments should increasingly ask for assistance and advice on a tripartite basis, for instance through national ILO tripartite committees, thus reducing the pressure on the supervisory machinery.

138. The Workers would appreciate a more active role on the part of the ILO in the human rights activities of the United Nations, such as the preparations for the World Conference on Human Rights, in which the ILO should play an active role. This applied to other United Nations bodies, particularly the Commission on Human Rights, on matters such as child labour, slavery and migrant workers, which were squarely within the ILO's competence.

139. Turning to the issue of migrant workers, which might have merited more than the passing reference in paragraph 50.22, he reminded the Committee of the resolution concerning the role of the ILO in the protection and promotion of the rights of migrant workers and their families adopted by the Conference in 1992, which recommended the promotion of "the dissemination of information on the rights of migrant workers and members of their families that are recognized in the relevant international instruments and specifically on their right to freedom of association". The Workers considered that the Committee on Discrimination was one forum where some of the decisions and recommendations of that resolution should be carried out.

140. The provision of assistance to ILO constituents was a key element of coordination between international labour standards and technical cooperation, which in turn strengthened the notion of active partnership. Such assistance should be clearly defined and the resulting workload accurately quantified to avoid breakdowns.

141. Some clarifications were needed; the observation in paragraph 50.5 that selected Conventions would be the subject of promotional efforts. Who would select these Conventions and on what basis? He sought assurance that all parties would participate fully in the selection process.

142. Turning to programme 50.3 (Freedom of association) he emphasized the extremely high priority accorded to this programme by the Workers. Despite recent positive tendencies, violations continued. There were increasingly complex questions in industrial countries, and countries in transition had their own specific problems, but not many of these could be characterized as new: they were old, deeply entrenched and often vicious problems.

143. He was puzzled by the reference in paragraph 50.26, to the sentence "democratic developments, which often involve challenges to existing trade union structures ...". Perhaps the authors meant that democratization affected all structures, but if not, then the whole sentence would have to be rethought. This example showed how necessary impartiality, balance and experience were in this programme, and he expressed concern as to its staffing levels. There were two vacant posts in this Branch, and both should be filled soon and permanently with fully qualified staff. If bottlenecks were allowed to develop in the Freedom of association programme, the adverse effects would soon be felt throughout the Organization.

144. Turning to programme 50.4 (Equality of rights), and in connection with the observations concerning South Africa and apartheid, he touched on the delicate situation in that country and the need to be guided by the decisions of the International Labour Conference. The wording in paragraph 50.31 was perhaps unfortunate; it should express clearly that ILO action against apartheid must continue even if the current process was aborted; if the process of democratization continued and became irreversible, then the task of reconstruction would call for resources over a long period which could extend at least over the biennium 1994-95 and probably longer still. It was not evident where the funds for the post-apartheid programmes would come from. Paragraph 50.44 mentioned $100,000 - was this the total ILO input envisaged? A future need for the Group of Independent Experts could not be entirely ruled out.

145. Paragraph 50.46 concerned the question of the occupied Arab territories, where he noted the inclusion of entrepreneur training. While he did not oppose this activity, the programme in question dealt basically with the position of workers in the occupied Arab territories. Training entrepreneurs should not take place at the expense of activities for workers.

146. On the question of equality between men and women, again there was a problem of sequence in that the full evaluation of the 1992-93 interdepartmental project had not yet been presented to the Governing Body. However, the proposals seemed reasonable and the Worker members supported the areas selected for attention, such as appeals procedures, machinery to implement legal rights, national bodies to promote equality and employment policies for equality. Perhaps, however, the Meeting of Experts on Personnel Policies should be renamed to refer to "employment policies", which would make it clear and more appropriate.

147. All these activities would benefit from more direct tripartite input. In paragraph 50.38, reference was made to assessing and reporting on the need for new standards on procedures and mechanisms, as a result of the interdepartmental project on Equality for Women in Employment. A tripartite meeting on this question could be a practical step towards establishing guidelines for equality of opportunity and treatment in employment.

148. The Worker members supported the studies to be carried out under the positive action programmes for equality, particularly those on disabled persons and ethnic minorities (paragraph 50.40), and were also supportive of the HIV- and AIDS-related examination mentioned in paragraph 50.41.

149. The Worker members would have liked to see more reference to promoting the Workers with Family Responsibilities Convention, 1981 (No. 156), which was becoming more widely ratified, and also to the measures for increasing the number of women attending the International Labour Conference and other ILO meetings. This had been discussed in the Committee on Discrimination and would be considered in more concrete terms in May 1993. The important question of child-care facilities during the International

Labour Conference and other ILO meetings remained open, and action should also be taken on this issue.

150. In addition, problems of racism, xenophobia and action in favour of migrant workers, not mentioned in the proposals, should be taken up. The growing problems of ethnic and religious discrimination were mentioned in paragraph 50.35; all these things constituted important tasks facing the Committee on Discrimination.

151. Finally, on programme 50.5 (Labour law information) the Worker members recognized that the collection and dissemination in an accessible and understandable form of national labour legislation and international labour standards was an important promotional tool. The proposals indicated that an impressive collection of national legislation was being accumulated, and that a major challenge was to disseminate in the most effective way the material generated by the standard-setting and supervisory bodies of the ILO. In addition to providing a valuable service to ILO constituents, this also constituted an important and necessary backup to the Organization's own increasingly decentralized field structures. The multidisciplinary teams were important here. The application of new technology in respect of ILOLEX (on-line within the ILO and on CD-ROM externally) and the computerized NATLEX database, appeared to offer important new ways to disseminate more traditional publications. In this respect, the Worker members would welcome an evaluation of the extent to which activities under this programme were actually meeting the real needs of ILO constituents, and information on the obstacles encountered - financial, technological or other - so that ways could be found to overcome them.

152. The representative of the Government of Germany considered major programme 50 to be one of the main pillars of the International Labour Organization's activities. His first point concerned the implementation of standards. In the general discussion, cautious criticism had been expressed by certain Government representatives of the fact that standard-setting activities seemed to be suffering some financial reduction. It also appeared, from paragraph 50.15, that certain reforms of the reporting procedure were being examined. But the Director-General should not be asked to pre-empt the decisions of the Governing Body when drawing up his budget proposals, as this would restrict the Governing Body's freedom of decision. Also in paragraph 50.15, reference was made to the increasing number of ratifications, which was affected by the admission of new member States. In the circumstances, it was essential that the level and quality of supervision of the implemention of standards should be maintained. This task was becoming more difficult and it was time that the Conference accepted a certain share of the responsibility: Conventions were adopted by the International Labour Conference and not by the Office. An example had been provided by the representative of the Government of France in 1992, which showed that Conventions were often structured in a way that could lead to misunderstandings and misinterpretations, which made the work of preparing reports more difficult.

153. As regards migrant workers, in his view the 1992 Conference resolution did not intend that all migrant worker problems should be considered within the field of discrimination. In fact, there was no consensus on this approach, so this question should not automatically become a responsibility of the Committee on Discrimination. The main responsibility for migrant workers in these proposals was under major programme 60, and it was correct that only subsidiary work was provided for in major programme 50.

154. Unlike the Employer members, he felt that programme 50.4 (Equality of rights) was correctly located under major programme 50, although perhaps this was not ideal. The Organization did have to address questions of

equality of rights, particularly in connection with Conventions Nos. 100 and 111, so until or unless a new major programme was created, it should remain under major programme 50 and be pursued in this context. He wished to stress his full support for the activities outlined in paragraph 50.31.

155. The representative of the Government of the United Kingdom welcomed the very considerable efforts being made to modernize and streamline this department to enable it to cope with the many challenges facing it. Pressures on this department were indeed growing daily as the number of member States and ratifications continued to increase.

156. He welcomed the progress being made towards a better and more effective link between technical programmes and the observance of standards, and particularly the proposal to focus the attention of the multidisciplinary teams far more closely on standards issues in the field. He also welcomed the continued development of more systematic information sources on standards, including ILOLEX, on which staff from this and other departments had collaborated. His Government had recently been given an impressive presentation of this product.

157. The Government of the United Kingdom felt that the time was now right for an in-depth examination of the standards system as a whole. He hoped that in November the Governing Body would be presented with proposals for a wide-ranging, radical and innovative approach to the whole area of standard setting and supervision. He was therefore very pleased to note that the Director-General's introductory presentation had referred to a proposal to rationalize standard-setting policy and to ways in which the overall burden of reporting requirements might be reduced. He shared the Employers' opinion that there was now an urgent need to streamline the whole standards machinery. Whilst this obviously had to be done without jeopardizing its effectiveness, the system ought to reflect to a much greater degree the actual needs of member States.

158. The budget proposals reflected only too clearly that, as the numbers of member States and ratifications increased, so did the resources required to monitor the application of standards. He was concerned that when all other departments were facing budget cuts, this department had increased staff resources, not to achieve greater efficiency but merely to maintain existing activities. Was this an inexorable consequence of the adoption of more instruments, and would additional resources continue to be allocated on a regular basis to the application of standards programmes? Had not the time come to reconsider priorities in the standards area? For instance, was it right that so many resources should be spent on supervisory functions as opposed to the promotion of standards? Should perhaps the supervisory system concentrate more on serious abuses of human rights rather than on minor technical problems? Had the purpose of the system not become lost as instruments became more detailed and complex? The Employer members had made a similar point, that recent Conventions had tended to be more complex, making supervision that much more difficult and, indeed, extending the length of the annual Committee of Experts' meeting. In recent years some member States had been calling for measures to reduce the burdens of the supervisory system - not just the frequency of reporting but also the level of detail and the number of requests for further information that had to be followed up. The time had come for more drastic measures to be taken to safeguard the quality of the system.

159. The Office, he believed, should be asking itself, for example: should the Experts perhaps be encouraged to reduce the number of comments each year, either by concentrating on human rights abuses or by only making comments closely related to precise provisions of Conventions? This would

help to reduce the size of the Experts' annual report and the burden of work for all concerned - member States, the Committee of Experts and the Standards Department. Also, it was far from clear that the needs of member States were being met by the adoption of ambitious Conventions which only a small minority of countries were in a privileged position to ratify.

160. Instead of concentrating on producing yet more Conventions that were likely to remain unratified, would it not be more useful if the Office were to focus resources on the revision of existing Conventions which had caused member States the most difficulty, thus preventing their ratification or implementation? It might then be possible to produce revised Conventions that were better suited to member States' needs - Conventions which were realistic, universal in scope and capable of the widest application.

161. He therefore hoped that the Director-General, when he spoke of rationalizing the standard-setting policy, would bear in mind these sorts of questions. Since the department was not facing cuts at this stage, he sought reassurance that it was actively engaged in justifying the resources allocated and was considering ways in which the system might be improved and lead to savings in the future.

162. The representative of the Government of Denmark fully supported the proposals for major programme 50, which he felt was one of the most important major programmes: it should not be required to realize savings, either now or at any time in the future.

163. Detailed discussion should be postponed to November 1993 when the Committee would have the Director-General's eagerly awaited paper on standard-setting activities, and that would be the time to take a fresh look at them.

164. As regards paragraph 50.41, which dealt with an examination that would be carried out of the law and enterprise practices regarding the employment of persons who were HIV-positive or were suffering from AIDS, in a number of industrialized and developing countries, he very much welcomed this proposal, since representatives of his Government had mentioned problems in this connection several times in the Committee on Discrimination.

165. The representative of the Government of India supported the proposals for major programme 50. The problems of standard setting and related standards questions were real and pressing. They were being addressed, and a paper on this subject would be submitted by the Director-General to the Governing Body in November 1993.

166. He expressed thanks and appreciation to the ILO for organizing the tripartite seminar on labour standards in February 1992 in New Delhi, which had been very useful. Some of the major difficulties identified in the ratification of Conventions were: (1) the absence of legislation in respect of some Conventions; (2) the advanced nature of some standards; and (3) the financial implications, both in terms of social security provisions and the creation of expensive enforcement machinery.

167. Some Conventions were obsolete and needed revision. The seminar had shown that ILO Conventions were very useful even when they could not be ratified; they served as an ideal and a goal and provided guidance for formulating national policies and social legislation.

168. The representative of the Government of the United Arab Emirates felt that activities concerning migrant workers were appropriately located in major programme 50. This was not a question for the Committee on

Discrimination, as migration problems were not exclusively related to discrimination; they concerned countries which exported or imported labour, and cooperation between the two.

169. Turning to paragraph 50.46, which concerned workers in the occupied Arab territories, he stressed how important and vital these activities were, especially the preparation of the Director-General's Annual Report to the Conference. However, this report could not by itself provide the necessary assistance to workers and employers in the occupied Arab territories, who were in dire need of the ILO's services. He hoped that in 1994 and 1995 activities in this field would be expanded to become more effective in supporting the resistance of workers and employers in these territories. He hoped that the Director-General would expand assistance to the Arab workers in Palestine and the other occupied Arab territories during the present period of occupation, and give some thought to the type of assistance which might be provided in the post-occupation period.

170. The representative of the Government of France supported the proposals made under major programme 50. He congratulated the Office for its work on the development of ILOLEX. This database, on CD-ROM, had been very successfully demonstrated at the Paris office recently. He hoped that, thanks to the use of modern, electronic technology which rendered ILOLEX fast and easy to use, the ILO legislative texts it contained would be more widely disseminated to universities and research institutions, and more readily available in member States. It was most important that, in industrialized as well as developing countries, the body of ILO doctrine should be known and available to everyone. It was significant also that electronic dissemination permitted rapid and easy consultation, which was not the case with traditional published documents. He was delighted to see that the ILO was taking advantage of modern technology in this respect.

171. The representative of the Government of the United States said that the ILO's work in the standards area had long been one of his Government's priorities; it was important and for the most part excellent. He was especially happy about the increasing emphasis on the coordination between standard setting and technical cooperation, although he agreed with other IMEC governments that it was necessary to review the whole process of standards development and implementation to make it more reflective of present realities, and he looked forward to the review in November 1993.

172. He would welcome more specific details of how advisory services would be intensified through the multidisciplinary teams (paragraph 50.2) in comparison with the excellent work presently done by the regional advisers on standards. Why would specialists on standards not be included in all the multidisciplinary teams?

173. Turning to paragraph 50.12, he noted that there was no provision for commissions of inquiry; what would happen if they were needed? He was pleased to note that responsibility for preparing proposals to the Governing Body for Conference agenda items was being transferred to major programme 50. Experts from the Standards Department should also participate in the drafting of standards; had any provision been made for that?

174. He noted from paragraph 50.19 that the number of requests from member States for direct contacts and advisory missions had increased substantially. Within the context of zero real growth, were adequate resources provided for this function? There was no mention in paragraph 50.27 of the 1994 General Survey on Freedom of Association, which would be a major undertaking and an extremely important document; again, were sufficient resources available? He wondered (paragraph 50.28) if an update of the

Freedom of Association Digest was planned. This very useful document had last been revised in 1985.

175. Turning to paragraph 50.46 on the occupied Arab territories, he welcomed the proposals for technical assistance with respect to standards activities, including entrepreneurship, and indeed for the Arab region in general. However, such assistance should not touch on aspects of the peace question; it should not be concerned with the future of the territories from that point of view.

176. The representative of the Government of Canada commended the Office on the development of the ILOLEX database. Her Government had been very impressed by the recent demonstration of this programme by the Ottawa Office, and had purchased it. She encouraged other members of the Governing Body to familiarize themselves with the database.

177. She fully agreed with other members on the importance of this major programme, which was very closely linked to the reasons for the ILO's establishment almost 75 years ago. The future and direction of this major programme was closely linked to the ability of the ILO to retain, maintain and increase its relevance for member States in future years.

178. She very much welcomed the prospect of discussing in November 1993 the paper on the review and rationalization of the international labour standards programme. She agreed with the comments by the representative of the Government of the United Kingdom as to the kind of issues to be discussed in the paper in connection with the role that international labour standards should and must take in the future of the Organization.

179. The representative of the Government of the Russian Federation supported this major programme as a whole and the majority of its specific details. That did not necessarily mean that there were no opportunities for further rationalization. He would welcome some clarification as to what was intended under the new approaches outlined in paragraph 50.26.

180. He fully supported the proposals for providing technical assistance to member States, and for activities in connection with the development of their national legislation to encourage compliance with ILO Conventions.

181. Turning to paragraph 50.51 on the provision of information services outside Geneva, he hoped that this would be focused above all on the requirements of member States taking due account of the need to improve the dissemination of information.

182. The representative of the Government of Bangladesh thought that the apparent decrease in resources for this major programme probably reflected the interaction of the ILO and other agencies in the field of standard-setting activities. The developing countries needed to continue receiving ILO technical assistance from the International Labour Standards Department. The budget proposals seemed to be adequate for the time being, but while they reflected the current activities of the department at headquarters as well as the regional offices, the needs of member States were not necessarily reflected in the proposed programme and budget. That need was expanding, certainly in the Asia and Pacific region, in relation both to the adoption and the implementation of standards. In November 1992 the ILO had held an Asian-Pacific Regional Workshop on Standards-related Activities, which reflected the need of the countries represented for more assistance to analyse the provisions of the Conventions already adopted, and of new Conventions, including that on part-time work to be discussed at the 80th (1993) Session of the Conference. This need was so great that most of the countries represented

in the workshop had insisted on continued ILO technical assistance to help ministries of labour and employers' and workers' organizations. That sort of demand could not be met by existing structures or personnel, or the information that was currently available within member States, especially the developing countries.

183. He had expected, therefore, to see more substantive provision for technical advisory services and promotional activities (paragraphs 50.28, 50.29 and 50.37) in order to help member States to contribute more effectively to the adoption and implementation of Conventions aimed at improving equity, welfare, development and justice.

184. He supported the proposals for major programme 50 as a whole, but they could be improved by placing greater emphasis on and more resources for technical advisory services and promotional activities.

185. The representative of the Government of Cameroon supported the statement made by the representative of the Government of the United Kingdom, which emphasized that the workload of the Committee of Experts could be reduced, inter alia, by giving priority to the revision of existing Conventions. Developing countries, in particular, supported this point of view; such an approach would also encourage the ratification and better application of relevant standards. Some Conventions were obsolete, and their revision would facilitate their application and thus diminish the number of cases the Committee had to review. She supported previous speakers who had underlined the importance of providing technical assistance to developing countries on the application of standards. Such assistance was urgently needed, and increased resources should be allocated to this activity.

186. The representative of the Government of Belgium said that his Government remained very impressed by the quality of the work undertaken by the ILO on standards. It was most important that this quality be maintained, to serve as a reference point in the world and for other international organizations.

187. While awaiting the paper on standards which would be submitted in November 1993, it was difficult to resolve such questions as whether supervision or promotion should be given priority in the context of a budget discussion: promotion could well lead to increased supervision, and thus to increased costs. He hoped that in November the discussion could cover all aspects of the problem. Without rigorous supervision standards would lose their effectiveness.

188. Other speakers had commented on the complex nature of some standards, but this was hardly the fault of the Office. It was up to governments and the groups negotiating on new standards at the Conference to ensure that the texts produced concentrated on the essentials, within a flexible framework. Certainly it was necessary to focus on certain subject areas; ILO action in the field of structural adjustment was one area which deserved more attention. Subjects might be chosen more with a view to consolidating action in the ILO principal fields, rather than venturing into highly specialized, technical areas. In this regard, he was pleased to see a number of proposals aimed at integrating officials of the Standards Department into the activities of other departments, with a view to placing standards at the heart of the Office's activities. Supervision of standards must remain rigorous, but perhaps it should be concentrated on a "hard core" of the essential provisions of Conventions. The Committee of Experts should draw on the reports of the multidisciplinary teams in the field for information on the real obstacles to ratification and application. From a budgetary point of view, he felt that efforts at rationalization should focus more on the

management of the system than on revising the institutional standards machinery.

189. On the question of the overall number of Conventions, he felt it was desirable to make an assessment as to which of these were a priority in the modern world. It was not necessary to revise all of them, but some were candidates for revision.

190. He joined other speakers in congratulating the Office on the development of ILOLEX. He hoped this would have a wide audience, especially in field offices in developing countries.

191. The representative of the Government of Argentina stated that his delegation firmly supported major programme 50, which assured the implementation of standards and respect for human rights. This was the principal mandate of the Organization. They welcomed the fact that there was a real increase of $200,000 for the biennium in the resources for this major programme, and welcomed the inclusion of a meeting of experts on personnel policies to promote equality of opportunity and treatment in employment (paragraph 50.42). As regards coordination between international labour standards and technical cooperation, covered under programme 50.1, the multidisciplinary teams would help to increase such coordination. Concerning the supervision of the application of standards, the secretariat should take account of what had been said by the representative of the Government of the United Kingdom, which was perfectly correct.

192. His delegation welcomed the resources allocated to deal with complaints on violations of freedom of association; though their number had stabilized, they were more complex each year. He drew attention to the fact that the largest number of complaints came from certain regions, and felt that the efforts made in Latin America in favour of democracy and respect for human rights merited greater understanding from the Committee on Freedom of Association.

193. In programme 50.4 (Equality of rights), he welcomed paragraph 50.41 concerning action in favour of equality of employment for HIV-positive or AIDS-infected persons.

194. He thanked the ILO for having created the ILOLEX database, which would help the developing countries and disseminate information more widely on the Organization.

195. The representative of the Government of Ireland associated himself with previous speakers who had underlined the importance of international labour standards and human rights. He very much welcomed the Director-General's intention to provide in November 1993 a paper concerning the review of the Office's standard-setting activities and wished to place on record his preference that any review in this area should stress the need to ensure that Conventions were more general in nature, which would thus encourage more widespread ratification and implementation. Some of the responsibility for this rested firmly with governments, whose technical representatives involved in drafting the texts of Conventions did not keep in mind the post-Conference difficulties, which could be caused by the extremely detailed instruments drafted in recent years. There was also a need to reduce the rate at which new Conventions were adopted. This trend should be replaced by a review of existing antiquated Conventions, which were often irrelevant to the modern day.

196. The representative of the Director-General (Mr. Bartolomei, Director of the International Labour Standards and Human Rights Department) thanked all

the speakers for their comments. He informed the Committee that the proposals for this major programme were based in large part on a study of the professional workload, work organization and general volume of work of the Department carried out by the Office's in-house management specialists. He noted that Mr. Oechslin had said earlier that recourse should be had to management specialists to improve working methods, and this had been done in this case.

197. The spokesmen for the Worker and Employer members had dealt with almost all the essential questions, and he directed his replies towards them. Mr. Oechslin had stated that major programme 50 should participate in the adoption of standards; measures for this had recently begun on the basis of deliberations in a working party presided over by Mr. Maier and reporting to the Director-General. As of 1993 a specialist from the Department would be assigned to each technical committee of the Conference and put at the disposal of the technical departments in order to assist in drawing up questionnaires and reports for proposed new standards.

198. Mr. Oechslin had also referred to the Equality of Rights Branch, which had been transferred out of the Department and then reintegrated with it several years previously. The present proposals showed that there was already a reorientation of the activities of this branch toward supervisory activities. Among the activities proposed, the examination of possible new standards on appeals procedures and machinery to implement rights set out in law represented follow up on the present Interdepartmental Project on Equality for Women in Employment, and it would be regrettable not to develop these ideas further. Mr. Oechslin was perfectly correct that paragraph 50.53 should have referred to the provision of the NATLEX system to employers' organizations as well as to workers'.

199. He had been pleased to note the wide support given to the dissemination of information under programme 50.5 (Labour law information) and the encouragement given to distribution of the CD-ROM containing the ILOLEX database. This corresponded to the ILO's constitutional responsibility under article 10 to disseminate information, and he recalled that the update of ILOLEX would have to be financed by its sale. He therefore supported the encouragement given by some speakers to other members of the Committee to purchase this database.

200. Mr. Tapiola had spoken for the Workers' members. The increase of 209 ratifications in two years, and the increase in cases submitted to the Committee on Freedom of Association, had made it necessary to reorganize the Department on the basis of the internal management study referred to earlier. Further changes would be made in the longer term, on the basis of the proposals to be made by the Director-General in November 1993 and on the decisions made by the Governing Body in this respect. These proposals would in no case include measures which could diminish the quality of supervision of standards. The aim was rather to maintain and, if possible to increase, the quality of supervision. The proposals did not foreclose any decisions which might be made during the discussions in November 1993.

201. Additional measures were being taken to assist trade unions, and instructions were being given to members of multidisciplinary teams to ensure that they acted in a tripartite spirit. The subprogramme on the links between technical cooperation and standards coordinated the work of the International Standards Department with these advisers in close consultation with the Director of the Department.

202. This major programme worked in close coordination with that responsible for migrant workers, inter alia, in the context of the Governing Body Committee on Discrimination.

203. Paragraph 50.26 of the proposals was intended to refer to new questions arising in the field of freedom of association, but it was ambiguously worded, and this would be changed. As regards apartheid, the sum of $100,000 mentioned in paragraph 50.44 would not be the only funds available in the ILO for questions relating to apartheid, and assistance in this regard would also take place within the more general framework of ILO activities to combat discrimination.

204. As regards the rationalization of measures for the supervision of standards, to be discussed on the basis of a paper to be submitted to the Governing Body in November 1993, it was hoped that this would decrease the administrative burden on member States as well as on the Office. Any savings effected in this context could be assigned to increased promotional and assistance activities.

Major programme 60 - Employment and development

205. Mr. Katz, speaking for the Employer members, welcomed the emphasis given to the alleviation of poverty and intensified action in the regions. However, he was disappointed that employment had not received higher priority in the budget and appeared even to have lost resources. In response to an earlier intervention by a Government representative, he considered that the ILO's role in relation to employment had three main aspects. First, the ILO held expertise in micro-economic issues in its various programmes on employment growth that few other international institutions could match. Secondly, the developing countries and economies in transition had much more of a voice in the ILO than they had in the international institutions that dealt with the macroeconomic aspects of the problem. Finally, as a tripartite body, the ILO allowed for a dialogue between employers and workers. In the Committee on Employment, his group had not limited its discussions to the activities of one department, as they considered that in the ILO the employment issue should be seen as a set of micro-economic policies and activities. However, whether one took a broad definition of the employment function (comprising the Employment and development, Training, and Enterprise and Cooperative development major programmes as well as relevant parts of the Industrial relations, Social security and Interdepartmental projects major programmes) or a narrow definition (Employment and development major programme alone), the fact was that their share of the budget had declined.

206. On the whole the Employers appreciated this major programme, although they felt that programme 60.2 (Employment strategies), by referring to alternative economic strategies, gave the impression that there were better macroeconomic approaches to employment creation that other international institutions and national governments had not yet discovered. He was pleased, on the other hand, with the items on new approaches to employment planning and human resources development.

207. The establishment of the active labour-market policy branch was a very positive development. In building on earlier OECD work, it was particularly commendable where it dealt with the applicability of active labour-market policies to developing countries and transition economies, the evaluation and improvement of labour-market programmes for transition, and local labour-market adjustment strategies. However, his group found the attempts to demonstrate how regulation and minimum wages could create employment a less worthwhile activity.

208. The Employers were very pleased with the work suggested under programme 60.4 (Policies and programmes for development) and with the employment-intensive activities in particular. The same could be said of programme 60.5 (Migration and population), although they found the reference to international aid to discourage migration somewhat misplaced. It would be preferable to stress the importance of economic development and prosperity by providing a good investment climate in these countries so that jobs could be created.

209. Elsewhere, he regretted that in major programme 80 very limited funds were allotted to employment services which, he felt, were a major need in economies in transition as well as in developing countries, and now seemed to be buried in one of the branches of the Industrial relations and labour administration major programme. On major programme 110, his group felt that the indispensable work towards creating a social safety net in economies in transition and in developing countries needed to be more carefully tailored to the needs of those countries and to the need to get people back to work as quickly as possible. His group also regretted the decrease in the resources related to employment available in major programme 140. There was a great need for interdepartmental cooperation to tackle the major problem of employment. A combination of active labour-market policies, employment planning, enterprise and cooperative training, employment services and field programmes was essential to deal with the issues.

210. Regarding the multidisciplinary teams, he wondered whether they would be able to deliver the same kinds of service that had been delivered in the past or to improve on them. The proposals placed great emphasis on standards: to the extent that employment was mentioned, the emphasis seemed to be on alternative macroeconomic strategies for adjustment. Little attention seemed to be given to specific micro-economic needs in countries, whereas this was precisely the kind of specific advice that his group hoped that the ILO could continue to give.

211. Mrs. Carr, speaking for the Worker members, stated that there was little for the Workers' group to oppose directly in this major programme. There was an appropriate sense of urgency before the severe unemployment, structural adjustment, discrimination and other problems faced by workers. However, it was not clear whether this concern was sufficiently translated into the specific proposals, particularly those on structural adjustment. The Workers' group emphasized that the work on adjustment (principally in programmes 60.1 and 60.2) should receive adequate resources, and should not be overshadowed by the Office's evident enthusiasm for work on active labour-market policies and measures to raise the productivity of the poor.

212. She regretted that the major programme was silent on the need for global economic policy measures to bring about higher growth and lower unemployment worldwide. Another element not discussed was international interdependence and the need for a social clause at the global level, and social charters at the regional level, in order for trade to have positive effects on workers' rights. The ILO should undertake a study of the functioning of a social-clause mechanism in the GATT as a basis for further collaboration with that institution.

213. The Committee on Employment had in November 1992 considered a range of ILO activities on adjustment which had been welcomed by the Worker members and which needed to be developed in the next biennium. Particularly important were the assessments of the effect of privatization on employment. The ILO should take an active part in this debate and provide proposals for protecting workers during privatization and for retraining displaced workers.

214. The Workers' supported the initiation of a series of national tripartite consultations on adjustment programmes, which provided a potentially important tool for achieving a large union role in adjustment with the help of the ILO. At a time when the interdepartmental project on structural adjustment was reaching its end, a more substantial part of the programme should have been directed to this issue. The ILO should make a major impact on structural adjustment.

215. The work on analysis of the Employment Policy Convention, 1964 (No. 122) should be emphasized as a vital part of the ILO's efforts to persuade governments to restore an adequate level of output and employment through active measures. Continued UN liaison was also needed: with regard to the UN World Summit for Social Development to be held in 1995, the ILO should ensure that its preparatory work was of the highest standard and received adequate resources.

216. As regards programme 60.2 (Employment strategies) the Worker members accepted the role of market forces but felt that direct government intervention was still needed. Regarding programme 60.3 (Active labour-market policies), they were pleased that the general description of active labour-market policies indicated that the ILO had taken into account her group's views as expressed in the Committee on Employment. The Workers emphasized the central importance of labour placement centres in employment programmes, with special regard to coordination with training schemes and to encouraging employer confidence in such centres, which, she felt, was a neglected aspect in many developing countries. She strongly supported the proposal to study the positive results of labour regulations, as it was considered fundamental to the promotion of ILO standards, particularly at a time when in some countries governments were seeking to lower labour standards in order to reduce labour costs. She welcomed the proposals on labour markets in transition and on women and disabled workers. The employment aspects of the conversion of armaments industries were important worldwide, and in particular to certain regions within countries in transition, which were largely dominated by such industries. In programme 60.4 (Policies and programmes for development), she had expected greater reference to the role of standards. The proposals on the informal sector barely referred to the view of the Committee on Employment that emphasis should be given to encouraging organizations of workers and producers. The proposals for work on women, indigenous and tribal peoples, rural workers, and bonded labour were all very important, as were those on reducing migration pressure by providing alternative employment possibilities and the protection of migrant workers through trade union education.

217. The representative of the Government of Germany noted that in this major programme mission costs had almost doubled. He had expected that with the establishment of the multidisciplinary teams there would be less need to travel from headquarters. His Government supported the approach taken in programme 60.3 (Active labour-market policies), but was surprised at the term "labour-market planning", which he thought had become part of history. With respect to the activities to combat poverty, he had the impression that the ILO was running the risk of encroaching on the mandates of other United Nations agencies. While supporting the approach taken in the Migration for employment subprogramme, he felt unclear about the division of labour between this subprogramme and the relevant proposals under major programme 140.

218. The representative of the Government of Tunisia regarded this major programme as one of the ILO's most important activities, and he expressed his particular support for programme 60.51, dealing with migration and population.

219. The representative of the Government of France observed that the text of major programme 60 reflected the objectives defined by the Committee on Employment. His Government therefore supported the proposals. He noted with appreciation the accurate description of collaboration between this major programme and the International Monetary Fund and the World Bank, as well as with other major programmes, described in paragraph 60.28. Employment problems should be seen from both a social and an economic perspective, and in this sense cooperation with the financial institutions was indispensable. He supported the Worker members' concern about contacts with the United Nations, in particular within the perspective of the World Social Summit to be held in 1995. The ILO should be strongly associated in the technical preparation of this Summit. He wondered whether some paragraphs in programme 60.2 (Employment strategies) showed indications of dirigisme, or whether this resulted from translation problems. The notion that one could plan employment, and that the State could be asked to create employment, had been around for years. The State had a role to play in planning employment. However, the ILO's specific role was well described in relation to activities in favour of target populations. Employment-intensive growth was attractive, but it had to be achieved. Paragraph 60.50 would need further clarification in this respect. In paragraph 60.51, with respect to local involvement in employment generation, it was necessary to recognize that employment was not the preserve of local organizations but of enterprises.

220. The representative of the Government of India regretted that not enough attention had been given to certain areas of structural adjustment and employment restructuring in the budget, particularly with reference to the proposals concerning major programme 60. The fall in resources for the programme was especially regrettable in view of the continuing problems both in eastern European and several developing countries. His Government would prefer the ILO to strengthen the support given to member States in their efforts to overcome the problems associated with structural adjustment and employment restructuring, and insisted that sufficient funds be allocated for this purpose. He welcomed the proposals on rural workers, and on labour-intensive infrastructure activities, and he invited the Office to provide concrete suggestions concerning the employment and income effects of environmental policies and to provide estimates of the cost of their implementation.

221. The representative of the Government of Denmark strongly supported the work of major programme 60, which was of great importance, and in the light of the ILO's priorities, would become even more so. In order to have a relevant and valuable message to disseminate, there was a constant need for comprehensive and forward-looking analyses. While this was true for all ILO programmes, it was particularly important for major programme 60. Concerning the problems of poverty, he suggested that they be examined from the point of view of exclusion, rather than in terms of the traditional debate on growth, which was too narrow-minded. While it would not be possible to find a solution that would fit all circumstances or countries, there was a need for a package of social and economic measures that focused on the relation between poverty, development and structural adjustment. Active labour-market policies were not meant as a blueprint for fighting unemployment, but rather as a means to improve the functioning of the economy in general. He invited the Director-General to preserve and strengthen the analytical capacity of both major programme 60 and major programme 70.

222. Mr. Trotman (Worker member) pointed out that the ILO should review its position on the question of market forces mentioned in paragraph 60.22. Market forces had from time to time encouraged lay-offs and the reduction of wages, as well as the degradation of employment conditions. Market forces did not have a social conscience: the ILO did. In this context, efforts should

be made to include a social agenda wherever economic rehabilitation took place. While governments could not provide jobs directly, they had to intervene by using tripartite mechanisms to ensure fair employment. In a context of high unemployment, the ILO should emphasize international labour standards, which should be applied to labour markets, and should integrate consideration for standards issues in all the strategies it proposed. It must demand constantly adequate wage levels, and protect and improve the conditions of workers throughout the world.

223. The representative of the Government of the United Kingdom welcomed the growing intellectual rigour of the papers being presented to the Committee on Employment, which was matched by the detailed, ambitious and thoughtful set of proposals now before the Committee. She shared the concern expressed by the representatives of the Governments of Germany and France on planning, and welcomed the work proposed in the areas of active labour-market policies and on disabled people. She appreciated the opening statement setting out unemployment as the key issue, and reiterated that nothing should be done in international fora to hinder employment growth. She noted with pleasure the Office's intention to collaborate with other relevant international institutions, but wondered whether some of the objectives and activities in this major programme were not too ambitious or risked straying outside the ILO's mandate. The Office should set itself measurable and achievable goals. She concluded by welcoming the programme's focus on evaluation.

224. The representative of the Government of Brazil emphasized the importance of this major programme, and highlighted the relevance of paragraphs 60.56, concerning rural workers and their organizations and the promotion of Convention No. 141, and 60.57, which proposed activities to eliminate forced labour, a problem that affected more than 100 million people around the world.

225. The representative of the Government of Belgium pointed out that in developed countries like his own, both the authorities and the social partners looked forward to increased analysis by the ILO of labour-market practices, since the present debate on the subject seemed to have reached an impasse. In particular, he drew attention to the work item on labour regulations, employment and productivity. He also thought that the subprogramme on migration for employment was extremely useful, and hoped that his Government could contribute financially to it. The ILO should promote the exchange of regional experience in this field.

226. The representative of the Government of China thought that major programme 60 contained some very important and innovative features. Her Government supported this comprehensive, consistent and well coordinated major programme, which included work on employment strategies, active labour markets, policies and programmes for development and migration and population. Despite painstaking efforts from governments, unemployment problems persisted and the technological, economic and social gaps between the industrialized and many developing countries had not been reduced. There was a strong need to reinforce work in this area, yet the budget allocated to this major programme had been reduced by $510,000 in real terms. Such a decrease should not occur. Setting employment expansion and poverty reduction as a main aim while reducing resources to combat these was not appropriate. She called for an increase in allocations for this major programme. Full support was given to the innovative efforts in the field of active labour-market policies. China was in the process of restructuring its labour market, and ILO headquarters had not given due assistance to a third nationally financed active labour-market programme there. Greater financial assistance should be given to project activities on poverty and the urban informal sector to complement the workshops and seminars in the programme and budget. In

selecting projects, priority should be given to developing countries, with due regard to regional balance, population and other factors. The Fourth World Conference on Women was due to be held in Beijing in 1995, and she hoped that the ILO would contribute with its work on women's employment and equal treatment.

227. The representative of the Government of Bangladesh supported the aims of major programme 60 as stated in paragraph 60.4. While endorsing the objectives of the programme on employment strategies, the ILO should ensure, in its dialogue with the IMF and the World Bank, that it played a prominent role in ensuring that structural adjustment had a human face. His delegation strongly supported the work on improving structural adjustment policies to take account of poverty alleviation and employment creation, and here priority should be given to the least developed countries. Empirical studies to assess in quantitative terms the links between poverty, unemployment and the environment were welcome, and his Government would like to receive concrete and practical advisory services on this theme. He requested clarification on the increases in allocations for travel costs.

228. The representative of the Government of the Russian Federation welcomed the high quality of the proposals. Publications should be translated into the languages of countries which were the target of specific Office work. He requested that activities on comprehensive active labour market policies include specific features of particular countries and regions. His Government was willing to play an active role in activities concerning work items on labour markets in transition. He wished to see some redistribution of travel allocations in favour of those of consultants. Perhaps the work on migration could be concentrated in major programme 140.

229. The representative of the Government of Cameroon supported the programmes on employment strategies, active labour-market policies and on policies and programmes for development. The successful implementation of these programmes would give the economies of the developing world a new direction. Work under programme 60.3 would lead to concrete policies to stimulate effectively the demand for labour and to improve its supply. Furthermore, work for the sectors specified under programme 60.4 and the analysis of poverty should result in appropriate national policies leading to durable economic growth which was the only way of solving the unemployment problem. Further information was needed on how the ILO would implement the work on labour-market information and active labour-market policies, and the allocations for travel and computer equipment were perhaps not fully justified in the light of the emergence of the multidisciplinary teams.

230. The representative of the Government of Argentina urged the Office to give this major programme the highest possible priority. Employment was at the heart of the ILO's concerns. It should not be treated in isolation, because of its close links with the world economic situation. The voice of the ILO should be heard by other international organizations, especially the World Bank and the IMF. Protectionism and subsidies in industrialized countries negatively affected employment growth in developing countries. He supported the activities envisaged under the programme on active labour-market policies and in particular those related to economies in transition, and to policies for vulnerable groups. He agreed with the representative of the Government of Brazil on the importance of combating forced labour. He asked which were the two countries that had been selected for work under the item on indigenous and tribal peoples, and how they had been chosen. Bearing in mind that 1993 was the International Year of the World's Indigenous People, importance should be given to this work.

231. The representative of the Government of Nigeria indicated that unemployment and underemployment was present in virtually the whole world and that it had defied all measures to combat it. He therefore welcomed the approach taken by the Office under this major programme. He supported the proposed target group programmes, and hoped that the multidisciplinary teams would pay particular attention to the informal sector. The African group relied on the ILO to provide assistance to enhance the capacity of member States to design and implement comprehensive employment strategies. The national Directorate of Employment in Nigeria had obtained considerable assistance in this field. The level of resources for this major programme's budget should be restored to those of the current biennium.

232. Mr. Mugalla (Worker member), commenting on paragraphs 60.17, 60.19 and 60.30, and on the role that the ILO could play in negotiations with the World Bank and the International Monetary Fund, asked whether the ILO had provided or was going to provide advice to the Kenyan Government on its structural adjustment programme. If so the mission should involve the Workers in its activities.

233. The Director-General, in response to the observations made by the representatives of the Governments of India, China and Nigeria, pointed out that this was the first of several technical departments that had suffered budgetary reductions. Under conditions of zero growth, there was a need to cut resources in one area if increases in others were required. The introduction to the Programme and Budget proposals explained that a large part of the reductions in the technical programmes was due to the changes in the work requested from the ILO and a shift of the workload to the regional programmes. This was justified by the changes being introduced in the Office activities and the increased importance of the regional programmes. If the cuts in the technical budgets were undone, this would necessitate the reduction of resources now allocated to the regional programmes, thereby changing the policies thought appropriate to cope with changes in the world, in particular in technical cooperation.

234. The representative of the Government of the United States strongly supported the statements on zero growth made by the Director-General. He also supported calls for greater use of micro-economic tools to stimulate employment using the ILO's unique tripartite structure and expertise, for efforts to consider the relationships between workers' rights and free trade, and for greater respect of ILO standards in technical cooperation promoting employment. He suggested that future budgets for this major programme should adopt more realistic and specific objectives. Some of the objectives in paragraph 60.4 were of a long-term nature, and could not be achieved in a biennium. He proposed that the work on economic reform, growth and poverty address itself both to micro- and macroeconomic policies, since it affected both overall economic growth and employment at the enterprise level. As regards the work item on integrated human resource planning, he invited the Office to examine enterprise-based training programmes, which were as important as formal ones. He pointed out that the work item on technological change had correctly identified the negative aspects of technological innovations, but failed to recognize the positive ones, including productivity and profitability increases leading to economic growth and employment expansion. He suggested also that the work on active labour market policies build upon and not duplicate the work already done by the OECD.

235. A representative of the Director-General (Mr. Lönnroth, Director of the Employment and Development Department) noted that the discussion on this major programme amply demonstrated the importance attached to the promotion of employment which, as Mr. Katz had pointed out, cut across several major programmes. Given the support for the overall thrust of major programme 60,

and recognizing that there might be a need for a better balance between the various subprogrammes, he agreed that this was indeed an ambitious programme. There was a clear desire to develop this major programme in two directions: the first was to use different work items "upstream" to generate a more coherent, consistent and comprehensive response to the challenge of employment-intensive growth and socially sustainable development. This would enrich the debate with the international financial institutions and would contribute to the preparation of both the High-Level Meeting and the World Social Summit. A meeting with the International Monetary Fund was due to be held after the Governing Body session to establish the practical modalities of some joint activities. The Governing Body would be kept informed of the outcome. In response to a query about collaboration with constituents in countries in the process of structural adjustment, he noted that the creation of the multidisciplinary teams would permit closer contacts and a better coordination of activities. A second direction was to move "downstream" in improving the Office's assistance to its constituents, and to demonstrate the relevance of its analytical work through operational programmes. While it was true that one of the strengths of this major programme was its micro-economic approach to labour markets and employment generation, he felt that the demand from governments, workers and employers was geared towards institutional capacity-building to increase understanding of the links between micro-level intervention and the wider macroeconomic context. In addressing the questions posed by many members on the concept of employment planning, the representative of the Director-General pointed out that the shift towards more indirect government intervention in labour markets made it necessary to devise much more sophisticated tools than those adopted in the past. It was also necessary to include the supply side in this approach, including training, both in the private and public sectors. In response to several queries about travel expenditure, he noted that there had been a marked shift in this major programme towards advisory services, which called for large travel allocations, and at the same time there had been a sharp decrease in programme support income as stated in paragraph 60.11. In response to the concern of several delegates about the fall in extra-budgetary resources, he suggested that the best response would be to improve the quality of services to make them more attractive, both to constituents and to the donor community. Resources for the World Social Summit and the High-Level Meeting were included in this major programme and in major programme 140. He assured the audience that many subprogrammes would contribute to preparations for these two events.

Major programme 65 - Enterprise and cooperative development

236. Mr. Hultin, speaking on behalf of the Employers, expressed strong support for this major programme in view of its direct contribution to employment creation. He referred in this context to the resolution adopted by the International Labour Conference in 1992 concerning the role of enterprises in employment growth. Enterprises had to adjust to structural change and had to develop their management practices. The Employers felt that the programme on entrepreneurship and management development responded to a clear need, by providing advice and management training. This need was growing, especially in countries in Central and Eastern Europe. The Employers were therefore concerned that this major programme was being cut proportionally more than other major programmes and suggested that consideration be given to increasing its resources. The Employers proposed that the promotion of an enterprise culture and of private initiative should be included as main objectives for this programme. They did not see a role for tripartite participation in the development of local industrial activity zones, since this should be left to private initiative. The Employers finally considered that employers' organizations could play a part in the provision of management services also to informal sector entrepreneurs.

237. Mr. Mugalla, speaking on behalf of the Workers, stated that economic growth and industrial development were necessary to overcome unemployment and poverty. The Workers' group had supported the creation of this new major programme in 1991 on the understanding that the work would focus on employment creation through enterprise and management development. They therefore considered that the major programme should not have a mandate of its own, but that its work should be determined by the principles and policies of major programme 60. Athough the proposals in general terms reflected this orientation, the Workers felt that it was not the ILO's task to provide financial support to enterprises, and that the work of the major programme should be guided more clearly by the relevant international labour standards. On the wording of the proposals, the Workers considered that the objective of employment creation should be singled out as the central objective of the major programme, and felt that the text lacked focus on activities that responded to this objective. The Workers wondered whether profiles had been drawn up of the type of enterprises that would comply with the objectives set forth by major programme 60, while emphasizing the relevance of constructive industrial relations and social dialogue as part of good management and enterprise functioning. The Workers also felt that the ILO should not try to do everything for everybody, mentioning productivity improvement and technology transfer as examples of fields where it would be more appropriate for other organizations to undertake the work, recalling that the ILO had been set up to improve the conditions of workers through tripartite effort and that it should restrain from assisting constituents in areas outside this mandate.

238. The representative of the Government of the United Kingdom considered that the work of this major programme did indeed fall within ILO's core mandate and that its activities were highly pertinent, as experience in the United Kingdom showed that small firms were the engines for economic and employment growth. She believed, with the Employers, that the number of requests for assistance received by the ILO in this field must be on the increase, and would be concerned if the major programme were to face disproportionate cuts. She welcomed the fact that the major programme covered not only enterprise creation as such, but also the improved functioning of enterprises through the development of management skills in the private and public sector, since in economies in transition the State was necessarily still playing an important economic role. She also expressed support for other parts of the proposals, particularly the access to finance for small firms, the emphasis on management skills and productivity, and the practical approach of using internal management consultancy where external services were not available or affordable. The activities of the major programme should perhaps focus more on very small firms in view of their crucial role in generating economic and employment growth, and work should not be excessively dominated by the special circumstances of the informal sector, since a lot of work remained to be done in the formal sector. She also wondered about the links with other major programmes, and mentioned that a review of policies and programmes for the creation of employment opportunities should take into account not only internal ILO studies but also external ones such as the OECD study on unemployment. She ended by expressing regret that the preface and introduction to the programme and budget proposals did not contain stronger references to enterprise development or to the role of small firms in employment creation, and requested assurances by the Director-General that this new major programme was really central to the ILO's work.

239. The representative of the Government of Bangladesh considered that this major programme was of particular interest to developing countries, where there were no jobs to offer to the many unskilled and uneducated persons who migrated from rural to urban areas. It had been considered the Government's task to create employment, but now the private sector was expected to absorb the ever-increasing number of jobseekers. In this context, ILO advice was

needed to train entrepreneurs to undertake analyses and arrive at decisions for investment in productive activities, since otherwise most investment would flow to seemingly more attractive and less capital-intensive investments in trading operations rather than in productive activities. The programme on cooperatives was also important in this context, since the funds of small savers could be pooled through cooperative or similar ventures. The entrepreneurial spirit of many informal sector workers should not be overlooked, and the ILO's work was crucial to help upgrade the informal sector.

240. The representative of the Government of the Russian Federation endorsed this major programme, which was of great practical importance, especially for countries in economic transition such as his own, which needed the ILO's advice on such issues as privatization. He supported the statements made by the Employers and by the representative of the Government of the United Kingdom.

241. The representative of the Director-General (Mr. von Muralt, Director of the Enterprise and Cooperative Development Department) thanked the speakers for their support for this major programme, and assured them that their comments would be kept in mind in the execution of the major programme. The activities of the major programme were mainly aimed at employment creation and income generation, and employment could only be sustained if enterprises, including cooperatives, were well managed. The major programme's technical cooperation activities were important, and this was reflected in the amount of extra-budgetary resources expected for the major programme. He assured the representative of the Government of the United Kingdom that attention would be focused on small enterprises, and replied to the Workers' question that the ILO did not provide funds to enterprises, but only tried to facilitate access to finance for small and micro-enterprises, including cooperatives. The major programme's activities would be fully coordinated with those of other major programmes, particularly the ones concerned with employment and training.

Major programme 70 - Training

242. Mr. Owuor expressed the Employers' support for the principal objectives and aims of the proposals, as summarized in paragraph 70.1. The Employers believed that training should be demand-driven, both in developing countries and in economies in transition. The major programme, he noted, aimed at strengthening the role of employers in the formulation of human resources development policy. He stressed the importance of the private sector in training, and suggested that the ILO should become an active partner in training with employers' organizations. In view of the deterioration of training systems in many countries due to structural adjustment measures, the Employers took issue with paragraph 70.9 outlining a shift in programme resources from training systems management to training policies development. Advice was abundantly available, but there was a lack of human and material resources for training. The Employers, however, supported policy development, which favoured training in the private sector and believed the ILO should strengthen and collaborate with private-sector training activities, instead of viewing them pessimistically, as in paragraph 70.33. The Employers regretted the reduction in resources proposed for major programme 70.

243. Mrs. Carr, on behalf of the Workers, noted that although this major programme was smaller, it was still important. There was a need, however, for increased reference to consultations with workers' organizations, as their role in training was fundamental. Tripartite arrangements were the very foundation of framing programmes in many countries, and the Workers believed that the ILO's own tripartite practices should serve as a model for other organizations, as well as joint projects and missions, which should both make

provision for tripartite consultation. Union training programmes should also benefit from ILO assistance, especially as they also covered the rural and informal sectors. While welcoming the proposed work on equality described in paragraph 70.19, and on disabled persons in paragraphs 70.47 and 70.49, the Workers noted insufficient reference to youth training. They were also surprised by the absence of any mention to follow-up on the discussion and conclusions concerning adjustment and human resources development of the 1992 Conference. Paragraphs 40(d), 41(d), 42(c) and 42(e) of the conclusions of the report of the Committee on Human Resources offered examples of measures which the Workers felt should form part of major programme 70.

244. The representative of the Government of Germany supported the proposals: training made an important contribution to improving the employment situation. In view of its decisive role, however, he expressed concern over the reduction in resources, noting that it did not even represent 2 per cent of the general budget, as it had in the current biennium. Paragraph 70.33 appeared to emphasize the shortcomings of enterprise-based training, while the experience of Germany would indicate that on-the-job training was the best and safest means of providing training in a constantly changing environment. Finally, he indicated the importance of tripartism - and urged that this major programme should increase its efforts in this regard.

245. The representative of the Russian Federation expressed his support for the major programme, noting in particular his satisfaction with ILO assistance in training in rural areas for independent employment. He informed the Committee of a number of World Bank activities within the conceptual framework of the programme and expressed his Government's appreciation for the financial cooperation of the Government of Japan in this matter. He indicated his country's intention to continue seeking ILO services in this field.

246. The representative of the Government of Nigeria considered that ILO activities set out in this major programme continued to reflect the needs of the member States, in particular strengthening their training capacity and hence their ability to cope with situations of structural adjustment. He expressed concern over the proposed decrease in resources under this major programme and the implications this might have for assistance to developing countries, and urged the Director-General to review the situation with the intent of increasing the allocation.

247. The representative of the Director-General (Mr. Salt, Director of the Training Department) expressed his appreciation of the constructive comments made by members of the Committee. A great deal was now being asked of training programmes: to reskill the workforce, increase productivity and contribute to solving social problems. However, without an appropriate policy framework, good training inputs, such as better instructor training curricula, and training materials alone could not accomplish these goals. As a result, and in view of the greater capacity of member States to provide training programme inputs, the ILO was increasing its emphasis on helping member States to develop relevant policy frameworks. In this context, he reassured the Employer members that this shift was not being made at the expense of the major programme's important objective of strengthening the capacity of training organizations, especially public training systems, to carry out their responsibilities, but rather, was made possible by the increase in national implementation of training programmes and hence a reduced need for the department to be involved in the detailed management of training projects. He emphasized the importance of enterprise and proprietary training, stressing that the text of paragraph 70.33 was not intended to convey pessimism about the ability of enterprises to train but as a preface to paragraph 70.34 and to underscore the importance of assisting enterprises, particularly smaller ones, as they increased their training role. He stressed the importance placed by

the department on increasing the involvement of workers' organizations in training programmes, including its own operational and research activities. He further noted the doubling since the last biennium of the share of the department's budget devoted to advisory services: in the future more effort would need to be made in elaborating such services, for example, in supporting youth training projects.

248. The deliberations and findings of the Committee on Human Resources of the 1992 Conference would have a considerable impact on the implementation of the major programme, and he noted with satisfaction the increasing collaboration with other UN organizations, in particular UNESCO, and with donors, and reiterated the critical role of collaboration with the social partners.

Major progamme 75 - Turin Centre

249. Mr. Oechslin, for the Employers, expressed their satisfaction with the work performed by the ILO Turin Centre and its management. The long-standing requests made by the Employers for better coordination between the Centre and ILO technical programmes, had been progressively translated into practice. They were pleased to see the Centre's activities tending to be extensions of the work of several headquarters departments. At the same time the Centre's primary mandate was as a training institution of the ILO, and that aspect had to be emphasized. The Employers also underlined the need for a stronger relationship between the Training Department, the Turin Centre and the multidisciplinary teams in training activities. Recent efforts made by the Centre in associating employers' organizations in its activities were appreciated. The Employers' support for this major programme had been repeatedly expressed by Mr. Moukoko Kingue, Vice-Chairman of the Turin Centre Board, who was unfortunately unable to attend the present session.

250. The Worker members had from the outset welcomed and supported the development plan and change of status and title of the ILO Turin Centre. They were pleased to note that as a result of the initiatives taken by the Centre's management in close consultation with both the Employer and Worker groups and governmental representatives on the Board of the Centre, this major programme was now running successfully. The efforts to ensure better coordination between the Turin Centre programme of activities and the ILO technical programmes were of primary importance for the Worker members, along with good quality products, in particular in the Turin Centre Workers' Education programme. One particular concern, which had already been raised in the past, related to the need to encourage wider participation by trade union representatives in all training activities implemented by the Centre.

251. The representative of the Government of France was pleased to note the good health of the Centre. He thanked the Italian Government for its constant support to the Centre, and congratulated the Director of the Centre for having taken certain initiatives that had resulted in good public relations for the ILO within the United Nations.

252. The representative of the Government of Cameroon fully endorsed the objectives of the Centre's Development Plan and was glad that the level of resources allocated to major programme 75 had not been reduced. She underlined the importance of the Centre's objective of strengthening the decision-making capacity of government officials by means of appropriate training programmes, and expressed her support for the Centre's proposals concerning training policies and the management of training systems and the role of the Centre in the evolution of technical cooperation. The latter was

of particular concern in view of the increasing role of recipient countries in the management of technical cooperation programmes.

253. The representative of the Government of Nigeria welcomed the proposals, with particular emphasis on the tailor-made activities directed towards the social partners and the role of recipient governments in the management of technical cooperation programmes. However, he expressed some concern about the frequently mentioned need to depend on extra-budgetary funding, and hoped that the objectives could be met.

254. The representative of the Government of the United States congratulated the Centre's management on the excellent technical and financial results obtained, and he shared the general opinion on the importance of closer integration between the Turin Centre's activities and the ILO's technical programmes. He also underlined his Government's support for the utilization of the Centre's programme by the UN system at large. He proposed that the quality of the Centre's training programmes be evaluated and improved, that the skills and knowledge of staff be upgraded, and that a committee of experts meet with the staff every two years for this purpose. He also suggested the addition of new staff to meet the growing demand for the Centre's services, and he felt that within the constraints of zero real growth the Centre's funding needs should be assured. His Government fully supported major programme 75.

255. The representative of the Government of China joined other delegations in supporting major programme 75. The Turin Centre had made good progress thanks to excellent leadership. He expressed his thanks to the Government of Italy for its permanent support and underlined the crucial importance of training and retraining programmes for developing countries which were affected by economic adjustment measures.

256. The representative of the Government of Belarus supported major programme 75. While the Centre's programme of activities for developing countries should be maintained, he believed that positive results could be achieved through holding seminars in countries like his.

257. A representative of the Director-General (the Director of the Turin Centre) thanked the members of the Committee for their support and approval given to the technical objectives of the Programme and Budget proposals for 1994-95 for the Turin Centre. He assured all the speakers that their comments and suggestions would be taken into account in the development of major programme 75.

Major programme 80 - Industrial relations and labour administration

258. Mr. Noakes, speaking on behalf of the Employer members, expressed general support for this major programme. In particular, the wide range of activities under programme 80.2 (Labour law and labour relations) were appropriate. However, the Employer members felt that the objectives were somewhat mechanistic, as they emphasized laws, systems and standards. More emphasis should be given to the development of sound labour relations in the workplace and elsewhere. Important developments were occurring in labour relations which needed to be further addressed in the proposals. First, he highlighted the trend in many countries towards a greater degree of decentralization in industrial relations, resulting primarily from the pressures of structural adjustment and the need for increased competitiveness.Emphasis should be placed on labour relations at the enterprise level as a means of promoting and developing employment and

growth. There was growing concern about the economic consequences of labour disputes, and traditional methods of disputes settlement needed to be re-evaluated. Regarding paragraphs 80.16 and 80.17, dealing with assistance to member States for the revision of labour legislation, the Employer members asked that greater emphasis be given to consultation with the social partners, as in programme 80.3 (Labour administration). Concern was expressed that the research which was fundamental to the provision of appropriate advice would be reduced. As regards the work item on personnel policies in countries in transition, there appeared to be confusion regarding the respective roles of personnel managers and workers' representatives. Full support was given to thework item on multinational enterprises. However, the Employer members were strongly of the view that the necessary work could not be carried out only by one Professional staff member. It was suggested that sufficient resources be added to enable another Professional staff member to be allocated to undertake the work on multinational enterprises. In conclusion, he stressed the importance of the labour administration programme, particularly in view of its focus on the organization and functioning of national employment services. Because of the universality and seriousness of unemployment, more emphasis should be given to this area, and more resources would need to be allocated.

259. Mrs. Engelen-Kefer, speaking on behalf of the Worker members, stated that the trade unions attached primary importance to major programme 80. The Worker members supported the shift in emphasis toward more technical assistance. She noted that the work on multinational enterprises was now to be undertaken as part of the programme on labour law and labour relations, and that the resources had been decreased substantially. Agreeing with the Employer members as to the importance of the work on multinational enterprises, she stressed that the resources now allocated to that work would be insufficient for the proper implementation of the Tripartite Declaration or for preparations for the Governing Body's Committee on Multinational Enterprises. She noted the increasing integration of world economies by way of the creation of free trade zones, evidenced, for example, by the North American Free Trade Agreement and the European Economic Community, where multinational enterprises had a significant role. The Worker members stressed the importance of ensuring that ILO objectives were fully implemented in these free trade areas. It was, therefore, strongly recommended that the subprogramme on multinational enterprises be fully restored. Regarding the work item on labour legislation and individual employment relations, the Worker members recommended that the Office should concentrate more on the organization of collective bargaining to ensure that the ILO's objectives were not undermined. It was further recommended that in the determination of trade union representativeness, as set out in paragraph 80.25, a specific focus be given to the former socialist countries, where the question of which union was truly representative was a difficult one. With respect to the industrialized countries, awareness needed to be raised of the attempts being made to divide workers. She drew attention to the fact that in the Committee on Freedom of Association, there had been more cases dealing with attempts to divide workers, resulting in a weakening of trade unions and an undermining of fundamental ILO objectives. Minimum wage fixing machinery was important, particularly for developing countries, and it was necessary not only to set objectives in this area, but also to establish supervisory systems to ensure compliance. The emphasis given to labour administration in the proposals was particularly important, especially with regard to the former socialist countries. The importance of the Fee-Charging Employment Agencies (Revised) Convention, 1949 (No. 96) was stressed, as was the need to ensure compliance with this Convention. On the issue of labour inspection, the Worker members found the tripartite evaluation missions to be important and useful, both for the Organization and for the interests of the workers. She suggested that such missions be increased.

260. The representative of the Government of Australia welcomed the reorganization of major programme 80, with its increased emphasis on technical cooperation and technical advisory services. However, he was concerned that the priorities set out in the major programme could not adequately be implemented with the reduced amount of resources. More emphasis needed to be given to this major programme, particularly regarding the development of sound labour relations policies and the role that they could play in the promotion of employment. The severe reduction of resources allocated to work on multinational enterprises was difficult to reconcile with the comments in paragraph 80.33 regarding the rapid evolution of international economic relations and international trade and the continuing relevance of the Tripartite Declaration. As a minimum, the full amount of resources cut from this subprogramme should be restored. He welcomed the increase in technical cooperation funds from extra-budgetary resources for labour administration. However, there had been a decrease in the amount of extra-budgetary resources allocated for the programme on labour law and labour relations, and he urged that more efforts be made to increase such funding.

261. The representative of the Government of China noted the significance of this major programme. Labour relations and labour administration were universally important issues, particularly for those countries in transition to a market economy, since they lacked experience in these areas. Activities in this field should be strengthened as much as possible. Regarding technical advisory services on labour legislation, he hoped that this would be carried out in a timely and practical manner. For those countries facing the rigours of structural adjustment, he asked that industrial relations, in particular tripartite consultation, be emphasized. Activities concerning the exchange of information and experience in labour administration should be strengthened.

262. The representative of the Government of Romania declared his Government's strong support for major programme 80. He expressed satisfaction with the project involving the restructuring of employment services in Romania, which had received assistance from the ILO and financing from the Government of France. The project was sure to prove successful, and the pilot offices would serve as a model.

263. The representative of the Government of Belarus noted the importance of this major programme for the development of democracy. The resources for this major programme should be increased in order to ensure that adequate assistance could be provided for those countries on the road to democracy. He welcomed the international meetings that had been planned.

264. The representative of the Government of Nigeria noted that industrial relations has assumed greater prominence in national discussions recently, particularly in developing countries faced with structural adjustment. In Nigeria industrial disputes had arisen out of structural adjustment programmes, and he requested ILO assistance in dealing with such disputes. He stressed the importance of advisory services in industrial relations, particularly training in collective bargaining, disputes settlement and for labour tribunals. There was also a need for assistance to develop and implement policies to improve the earnings of workers while taking productivity into account. As regards labour administration, assistance should be provided for the training of the staff of labour ministries. In order to ensure the adequate enforcement of labour laws, training must also be provided for labour inspectors, and labour inspectorates must be strengthened. Efforts should also be made to develop and strengthen the capacity of national employment services. His Government would appreciate any assistance the ILO could render regarding the application of international labour standards in export processing zones, since his Government had recently established such a zone.

265. The representative of the Government of Bangladesh acknowledged that industrial relations was a key factor in economic development in all countries; he therefore expressed concern over the decrease in budgetary resources devoted to major programme 80. He requested assurances that the developing countries would receive support when it was needed, perhaps through the allocation of extra-budgetary resources.

266. The representative of the Government of the United States also expressed concern at the curtailment of the excellent ILO efforts on multinational enterprises.

267. The representative of the Government of Morocco expressed support for major programme 80, since it concerned an activity that was at the heart of the ILO's work. He emphasized especially programme 80.3 (Labour administration), since the application of international labour standards was dependent on well-structured labour inspection and proper functioning employment services. More funds should be made available for this programme.

268. The representative of the Government of Cameroon also supported major programme 80, especially programmes 80.2 and 80.3. She referred to the statement by the Director-General in the preface to the programme and budget proposals concerning the strengthening of ministries of labour. She agreed with previous speakers that the regular budget resources allocated for labour administration were sufficient, but the regular budget resources for technical cooperation were not. She would rely on the usual ability of the Office to convince donors to make more extra-budgetary funds available for this programme.

269. Mr. Tchinde (Worker member) also found major programme 80 to be very important. As regards the issue of determining the representativeness of trade unions, there had been important changes in trade union movements in developing countries in general, and in Africa in particular, where encouraged by political parties, they had been established in large numbers. Workers no longer spoke with one voice, and governments and employers were happy with this situation. Urgent ILO action was necessary to determine the representativeness of trade unions, as disorder in the movement generally created socio-economic crises in the economically weak countries.

270. The representative of the Government of the United Kingdom shared the Worker members' support for the shift in the focus of the programme, and was pleased to note that it appeared to reflect the concern of his Government at the proliferation of new international labour standards. The promotion of existing ILO principles and standards by means of advisory services and information was far more beneficial than the creation of new standards. He therefore welcomed the emphasis on practical assistance to member States, and supported the emphasis on assistance to countries in the process of democratization. His Government had first-hand knowledge of some of the excellent work that was being undertaken in central and eastern Europe. The ILO had special expertise and recognized international standing in these fields; the Organization should however coordinate more closely with other donors in developing and implementing technical cooperation for labour administration, particularly in central and eastern Europe. As regards multinational enterprises, he expressed satisfaction with the proposals on the promotion of the Tripartite Declaration, and given the scarce resources, welcomed the priorities proposed in the subprogramme.

271. A representative of the Director-General (Mr. Simpson, Director of the Industrial Relations and Labour Administration Department) thanked the members of the Committee for their remarks and comments. In formulating the proposals, special care had been taken to address not only the contemporary

industrial relations and labour administration issues, but also those on which the ILO was being constantly asked for assistance; the result was a choice that was a fair balance between the many available options. Regarding the comments and reservations expressed by Mr. Noakes, every assurance was given that the subjects he mentioned would be taken into account in studies and work in the future. Consultation with workers' and employers' organizations was, of course, an essential component of ILO technical assistance in the field of labour legislation, and it would certainly continue in future. Mrs. Engelen-Kefer's remarks had been useful, and had demonstrated the relevance of the subjects chosen for study, in particular the question of the representativeness of trade unions. Any reference to individual employment relations was not intended to promote such relations at the expense of collective relations or collective bargaining as a whole, in conformity with the freedom of association Conventions. There was an inaccuracy in paragraph 80.13 concerning structural change. The two subprogrammes mentioned fell under the heading of labour relations rather than labour legislation, and the text would be corrected. This structural change did not minimize the importance attached to the promotion of free collective bargaining and disputes settlement procedures. Speakers' comments would be borne in mind, including the very pertinent remarks by the representatives of the Governments of Australia and Bangladesh regarding the resources available for this programme.

Major programme 90 - Working conditions and environment

272. Miss Mackie, speaking on behalf of the Employer members, expressed strong support for this major programme. With regard to the information activities in the major programme she noted that it was important in the process of generating and disseminating information to be aware of what others were doing elsewhere, and not to duplicate initiatives. She doubted the value of the proposed fourth edition of the Encyclopaedia of Occupational Health and Safety, as the pace of change in the field was so great that even the electronic (CD-ROM) version could not be updated fast enough to remain relevant: out-of-date information should not be enshrined in an authoritative document. In the field of working conditions, while reaffirming that working time was a core issue for the ILO, she advocated the postponement of the Meeting of Experts on Working Time from October 1993. Noting in this connection an increasing use by the Office of codes of practice, she asked that the status of such documents be clarified. The possibility of naming them "guidance notes" or something similar should be considered, as "code of practice" had a definite legal meaning in some countries.

273. Mr. Tapiola, speaking on behalf of the Worker members, expressed general satisfaction with the orientation of the major programme and its emphasis on standards. More stress should be laid on the involvement of workers' and employers' organizations, especially in connection with issues concerning the working environment and chemical safety. There should be explanations of the severe (4.9 per cent) reduction in the allocation for a major programme that represented a core mandate of the ILO, and of the virtual discontinuation of work on child labour; whereas over $2 million had been allocated in the present biennium, the proposals for 1994-95 provided only $1.18 million to cover all vulnerable groups. As none of the countries with the greatest child labour problems had ratified the relevant Convention, the programme should concentrate on promotional activities. The aim of eliminating child labour should be integrated into both in-house activities and work with other bodies. Paragraph 90.56 should be rewritten to reassure workers that the Office did not consider competitivity or productivity to be as important as worker protection, while paragraphs 90.59-61 should be redrafted to make it clear that the Office would only use assessments of

working time to promote the standards adopted by the Conference. The Office should commit itself to issuing two issues a year of the Conditions of Work Digest, and to providing sufficient funding for the fourth edition of the Encyclopaedia. It should be ensured that the outside authors who contributed to the latter understood the tripartite concerns of the ILO: the Office should always give priority to its constituents, while remaining open to community groups and non-governmental organizations. The description of promotional activities concerning occupational safety and health should include explicit mention of the Asbestos Convention, 1986 (No. 162) and the Safety and Health in Construction Convention, 1988 (No. 167). The tripartite approach to nuclear safety that was taken in the Office's drafting of basic standards for radiation protection and of the code of practice on the mining and milling of radioactive ores should be extended to other areas of nuclear safety and to protection against non-ionizing radiation; account should be taken of the outcome of the technical committee meeting with the World Association of Nuclear Operators (WANO) and the International Atomic Energy Agency that was held in early February 1993. Finally, the programme proposals on working conditions could be strengthened in three respects: preparatory work for the expert meeting on the draft code of practice on workers' privacy should be undertaken with a view to potential new standards; efforts to reduce and prevent stress at work should be increased; work should be intensified on the draft code of practice on the prevention of sexual harassment at work, which was an important follow-up measure on the resolution concerning ILO action for women workers adopted by the International Labour Conference in 1991.

274. The representative of the Government of Canada was very pleased with the emphasis placed on strengthening the ILO's participation in the International Programme on Chemical Safety (IPCS). She was concerned that, due to the lack of human resources, work on the harmonization of clarification systems of chemicals was not proceeding as fast as it should in the present biennium and she asked if work-years could be redeployed from elsewhere.

275. The representative of the Government of Germany stressed the importance of this major programme, and expressed concern over the halving of funding for work on child labour in its move from major programme 140 to major programme 90. When the Government of Germany had first made special funds available to the ILO in 1990-91, it had expected greater future input from the Office than it was now seeing. Coordination was essential to avoid duplication of activities under the regular budget and the International Programme for the Elimination of Child Labour (IPEC). He also noted the omission of any mention of safety in work with freight containers, although the need for a revision of Convention No. 27, 1929 and for practical guidelines had been mentioned at the 253rd (May-June 1992) Session of the Governing Body.

276. The representatives of the Governments of France and Cameroon voiced their support for major programme 90, and particularly for the observations by the representative of the Government of Germany on the need for a higher level of funding for child labour activities.

277. The representative of the Government of Belarus approved of the overall programme, and called special attention to the importance of work on the prevention of major accidents. He noted that a major seminar on this topic would be organized by the ILO in Minsk in April 1993. He expressed doubt over the sufficiency of the resources allocated to radiation protection in the proposed budget, as past allocations had likewise seemed insufficient. He called for extended cooperation in reviewing the consequence of the Chernobyl disaster, and suggested that this be included in the technical cooperation activities set forth in paragraph 90.37. The Office should not

only work toward the prevention of future accidents, but should also collect information on ones that had occurred in the past.

278. The representative of the United States Government praised the ILO's output in the areas of child labour, working time, telework, occupational safety and health and chemical safety, noting especially the IPCS and the development of International Chemical Safety Cards. He also hoped that the Office would set aside sufficient resources to continue the present work on the harmonization of classification systems of chemicals. He endorsed the integration of women workers' concerns in this programme, and the emphasis on the needs of workers with family responsibilities.

279. The representative of the United Kingdom Government strongly supported this major programme. It was an area in which his Government had always worked closely with the ILO, and occupational safety and health was the most fundamental aspect of satisfactory working conditions. Child labour was an abhorrent violation of human rights, and its elimination should continue to be a primary objective of the major programme. He supported the regret expressed by the Worker members that resources for this were to be reduced: if reductions in resources had to be made in other areas to prevent this, then there was no really pressing need for new standards in the areas of workers' privacy or working time. The top priority of social policy today was the creation of jobs and the elimination of unemployment, and ILO programmes should take account of this fact.

280. The representative of the Government of Nigeria felt that the proposals were appropriate. The ILO should find ways to assist countries like his own that were affected by the dumping of toxic waste. The Office should monitor cases of dumping and its consequences.

281. The representative of the Government of Japan congratulated the Office on the quality of the proposals. Protection of the individual at work was at the heart of the ILO's mandate, and should be regarded as a fundamental human right. Over the last 15 years, eight of the 23 Conventions adopted by the Conference had dealt with occupational safety, occupational health or working conditions. He could not support the reduction in the budget of this major programme for the coming biennium, although he acknowledged the principle of zero budget growth. Major programme 90 was also important in promoting the implementation of ILO instruments, which was as important as their adoption. He expected to see experts on this subject in all the multidisciplinary teams, which would mean that the Office would need more experienced specialist staff, not fewer.

282. The representative of the Government of Australia very strongly supported the activities proposed under this major programme, which was one of the most fundamental. He associated himself with the concern expressed by others over the decline in funding for the elimination of child labour. While he understood that 1992-93 levels of funding had represented a special effort in this field, efforts should be made to integrate work on this subject in other regular activities so as to maintain momentum. He noted with approval the current emphasis on labour standards and advisory services. He referred particularly to activities that examined how improvements in working conditions could contribute to enhanced motivation and productivity. This programme in particular was an aspect of the ILO's activities that kept the Organization relevant to the concerns of all Members, including the industrialized world.

283. A representative of the Director-General (Mr. Kogi, Director of the Working Conditions and Environment Department) expressed gratitude for the support given to the major programme, especially to its two main thrusts, the

application of standards and the provision of technical advisory services. In the formulation of the proposals, special care had been taken to respond to requests for more training and information activities. Codes of practice were of importance here, as the tripartite consensus that they embodied ensured their relevance and applicability. He noted that container ships would be among the areas dealt with in the proposed guides for hazardous occupations.It had been hoped that the proposals would strike a balance between regular budget and extra-budgetary activities, especially as regards child labour: they concentrated on policy guidance and on direct assistance to workers' and employers' groups and to governments in the implementation of various measures, and vigorous efforts had been made to avoid duplication between regular budget and extra-budgetary activities. The Office aimed to strengthen its child labour activities, and in this regard he welcomed any contributions in addition to those already made by the Governments of Germany and Belgium. He appreciated the comments that a balance had been ensured between the activities of the ILO and other UN agencies, especially in the field of chemical safety. In following up on the recommendations of the UN Conference on Environment and Development, held in Rio de Janiero in June 1992, the Office would put more emphasis on the harmonization of classification systems of chemicals.

Major programme 100 - Sectoral activities

284. Mr. Thüsing, on behalf of the Employer members, stressed the extreme importance of this major programme to the Employer members, as it provided direct contact with industry. However, the programme had changed little since its inception 40 years ago, and it was time to review in depth its aims and mechanisms as well as the functions of the committees themselves. However, funds budgeted for the evaluation were not sufficient, and in his opinion five or six times the amount should be foreseen for this task. As little activity was planned for 1992-93, there would be time this year to evaluate the major programme with external assistance, which could provide a new vision and facilitate the work of the department. Turning to programme 100.2 (Industrial activities), he requested that the study on the privatization of basic industries should consider the manner in which different countries had successfully tackled the problem, rather than formulate guidelines on how to protect workers' rights. As regards the item concerning industrial work and the environment, the Employer members felt that the ILO should not extend its mandate to cover the environment in general, but should confine itself to problems related to the working environment. Regarding programme 100.3 (Maritime industries), he noted that there had been no work on fisheries since 1988 and hoped that some would be carried out. As for programme 100.5 (Hotels and tourism), he expressed extreme concern that activities relating to the hotel and tourism sector were being discontinued and that emphasis was being placed on the extremely controversial Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172). Promotion of this Convention should cease. With regard to the meeting concerned with the Rome Convention, which the ILO would host in 1995, he suggested that employers and workers be invited to participate. Finally, the Employer members wondered if the duration of all smaller meetings could not be set at seven calendar days.

285. Mr. Gray, on behalf of the Worker members, approved all the objectives of the major programme, which maintained direct contact with problems and conditions of the workforce at the level of the enterprise, providing a source of feedback for technical cooperation and standards-related activities. The resources under this major programme had been cut repeatedly over the past biennia, and the Worker members had the impression that the programme was being dismantled without a formal decision to that effect. It was indispensable for the ILO to have specialized staff for the major

industrial sectors. He regretted the cuts affecting this major programme, which caused the cancellation of meetings and reduction of work-months. In respect of programme 100.2 (Industrial activities), regarding the study on privatization, the Worker members believed that respect for social commitments was of vital importance to developing countries. They were interested in the study on the impact of higher environmental standards on employment levels, conditions of work and productivity in certain industries. They fully supported the proposal to hold a workshop on rural poverty and international labour standards in an African or Asian country. As regards programme 100.4 (Service sector occupations and activities), the Worker members felt that the ILO did not devote sufficient attention to the problems of workers in the public service. Moreover, while welcoming the holding of a meeting on the impact of structural adjustment in the public services, they felt it inappropriate to include private employers as employers in the public service, although they had of course no objection to the participation of private employers as observers. Referring to programme 100.5 (Hotels and tourism), he hoped that activities in the hotel and tourism sector could be pursued under other major programmes. The proposals should have made clear which activities were going to be cut and why. He emphasized that developing countries depended on this industry for their foreign exchange.

286. The representative of the Government of the United Kingdom expressed extreme disappointment at the stated objectives, which would not apparently enable anything practical to be achieved. The practical usefulness of the conclusions and resolutions of meetings had never been demonstrated, and there might be more effective ways of achieving progress in these sectors. She queried the allocation of the bulk of expenditure on meetings rather than on field activities or the exchange and dissemination of information, which seemed potentially more useful. Like the Employer members, her Government was extremely disappointed by the omission of any reference to the in-depth review of the whole range and purpose of sectoral activities which, she insisted, should be included in that major programme. The review should examine critically the usefulness of meetings, their scope, structure, duration and methods of work. She regretted some of the language used in the Office document, in particular some of the references to privatization, and shared the Employers' view that it was wasteful to promote Convention No. 172.

287. The representative of the Government of Australia strongly supported the major programme, as it provided a direct link between the ILO and its tripartite constituents at the sectoral and industry level and played a valuable role in identifying issues, problems and solutions for the improvement of social and labour conditions in specific economic sectors at the national level. He recognized some innovation in the area of disseminating information and the use of RBTC funds to assess the relationship between the internationalization of certain industries and the observance of international labour standards. However, the major programme was no longer suited to the structure of the modern workforce. An in-depth review was necessary to see how sectoral elements relevant to the key industrial and occupational issues of today and tomorrow could best be incorporated in the ILO's overall programme of activities. The funds budgeted for the evaluation appeared far too modest.

288. The representative of the Government of Germany, in reply to comments by previous speakers and in particular by the representative of the Government of the United Kingdom, stated that this major programme, explicitly through industrial committees and other meetings, gave very important leads for other ILO activities and was therefore indispensable. However, he agreed that the major programme needed reform, and expected not just a superficial evaluation but a fundamental one, which should examine whether the choice of industries and categories covered by meetings was appropriate in the light of

modern developments. However, travel represented too high a percentage of the cost of the programme of meetings; the questionnaires were too long and the effort that went into them was disproportionate to the use that was made of them; and the choice of topics for some meetings was debatable.

289. The representative of the Government of Canada believed, with the Employer members and the representative of the Government of the United Kingdom, that there was a definite need for an in-depth review and evaluation of the major programme. There were too many meetings on too many sectors and subsectors of the economy dealing with too many segments and subsegments of the labour force, not all of which had equal needs, importance or priorities. There were too many complicated and lengthy questionnaires pertaining to these meetings. At a time when the ILO was faced with complex issues, for example acute problems and demands in relation to the transition to market economies, and when resources were barely sufficient to deal with some of these vital issues, her Government questioned expenditure on some of the meetings listed. Hard questions needed to be asked about the usefulness of this programme's activities in terms of their value not only for workers' and employers' organizations, but also for governments, and about the extent to which in their present form they answered the needs of member States. Changes should be made to increase the relevance of this major programme to current needs and realities.

290. The representative of the Government of the United States agreed with previous speakers on the importance of sectoral meetings for the ILO's constituents. However, he was very disappointed that only six work-months had been provided for the in-depth review. He also regretted that requests from sectoral committees to hold regional meetings had been disregarded. He commended the decision to send out newsletters between meetings, and welcomed the new multisectoral approach adopted in the programme. He proposed that savings should be made in relation to Governing Body delegations to sectoral meetings.

291. The representative of the Government of Ireland stated that his Government only derived marginal utility from the programme of sectoral meetings as organized by the Office and that, in a period of spiralling unemployment and continued global human rights abuses, priority should be given to increased activities in areas of the ILO's core mandate. The length, frequency and complexity of the Office's questionnaires were completely disproportionate to the value of the resulting information.

292. The representative of the Government of China regretted the recent reductions in sectoral activities, which assisted the implementation of other programmes, for example on international labour standards, and also provided a tripartite forum for labour questions. While supporting this major programme as a whole, he hoped that in the future, in selecting sectoral meetings, account would be taken of the actual needs of member States. The Office should study how to make the industrial meetings and the major programme more effective.

293. The representative of the Government of Belgium regarded this major programme as very important, but considered that new means had to be found to make it more effective as a tripartite forum.

294. The representative of the Government of Denmark strongly supported the statements made by the representatives of the Governments of Canada, Ireland and the United Kingdom.

295. The representative of the Government of Cameroon expressed her surprise at some of the preceding statements concerning the major programme,

as she had had the impression from the general discussion that it had the support of the Committee. Her Government accepted the proposals for this major programme for the 1994-95 biennium, with the proviso that an evaluation should be conducted.

296. A representative of the Director-General (Mr. Dembele, Director of the Sectoral Activities Department) very much appreciated the statements made during the discussion, in particular the pertinent remarks and criticisms voiced by members who regularly attended sectoral meetings. It was clear that there was a desire for reform of the ILO's sectoral activities programme. This desire for an in-depth review was legitimate and necessary, especially for a programme that had been created in 1945. If the Governing Body agreed on the conduct of an in-depth evaluation, the Industrial Activities Committee could provide guidance on this matter at one of its future meetings. The criticisms expressed of the proposals relating to the environment and privatization would be taken into account. These topics had been proposed by a number of sectoral committees, and environment was a key theme of the Director-General's proposals. As regards the questionnaires, he stressed their utility for documenting the measures taken in member States to give effect to the conclusions and resolutions of sectoral committees and for the preparation of general reports for these meetings. However, the questionnaires could be made simpler and more concise.

Major programme 115 - International Social Security Association

297. Speaking on behalf of the Employer members, Mr. Katz emphasized the need for an adequate social safety net, especially in countries undergoing economic transition or structural adjustment. Referring to the reform of social security in the context of structural adjustment, he urged the Office to show flexibility and imagination in order to assist countries in achieving the major objective, which was to get people back to work. He also noted the relevance of this major programme to other countries in their efforts to cope with the rising cost of social security and the impact of changing demographic and family structures.

298. Mrs. Engelen-Kefer expressed the support of the Worker members for the proposed increase in regular budget funds for this major programme. However, she regretted the reduction in funds from other sources, and requested the Director-General to contact the agencies concerned with a view to obtaining the resources required to support the continued development of social security systems. As regards the general focus of the major programme, she advocated greater practical assistance in setting up new schemes in developing countries, in creating coordination mechanisms to cover migrant workers, and in responding to the changing social protection needs of women workers. The socially adverse consequences of structural adjustment could be not just alleviated, but avoided altogether by appropriate measures of social protection; it was therefore proposed that the text of paragraph 110.6 be amended accordingly. Studies should be undertaken of changing demographic structures and of migratory flows, in view of the impact these had on social security systems. She requested the Office to combat trends towards the greater privatization of social security, as this was undermining protection for workers and the application of relevant international labour standards. Finally, she expressed both her support for existing cooperation between the Social security major programme and the International Social Security Association and her hope that this would be further developed.

299. The representative of the Government of the United Kingdom, recalling the ILO's special expertise in this field, considered that a slight increase in resources was appropriate. She wondered whether the time had not

come to revise some of the fundamental social security standards, notably Convention No. 102. Her Government was less enthusiastic about the continued promotion of the idea of equality in social security, and felt that this should not be pursued to the detriment of other matters, particularly as it was of little relevance to many developing countries where basic social security systems had not yet been established. It would be more useful to prepare a general paper on social security issues in different types of countries, along the lines of other papers produced for the Committee on Employment.

300. The representative of the Government of Argentina expressed his Government's support for this major programme, especially for the work on the reform of social security in the context of structural adjustment. The emphasis on women and social security was appropriate, and this activity should be pursued with a view to eliminating discrimination against women, whether direct or indirect. Finally, he expressed the hope that there would be increased technical cooperation in the social security field through the new multidisciplinary teams.

301. The representative of the Government of China welcomed the proposed increase in resources, as this reflected not only the importance the ILO attached to this major aspect of its mandate, but also the growing needs of member States as they underwent the process of structural adjustment and social security reform. Referring to the four main areas of concern identified in paragraph 110.2, she affirmed that these were all of great importance, especially to countries which were in the transition to a market economy. In particular, she welcomed the provision of advisory services and technical manuals, which were urgently needed by developing countries. In conclusion, she underlined the need for ILO assistance to countries undertaking structural reforms.

302. A representative of the Director-General (the Acting Chief of the Planning, Development and Standards Branch of the Social Security Department) thanked all those who had contributed to the discussion for the support they had expressed. The various proposals put forward had been carefully noted and would be taken fully into account in the implementation of the programme.

Major programme 120 - Labour information and statistics

303. Miss Mackie, speaking on behalf of the Employer members, recognized that this was a complex and difficult major programme which was closely linked to another major programme, namely 180 (Editorial and document services), in that they both dealt with the means of providing information. While the Employer members strongly supported most of this major programme, they had some difficulty understanding what was described as a rationalization in paragraph 120.4, of the intended savings of $1 million, which appeared to result in an increase of 5/00 Professional and 6/00 General Service work-years. She requested further explanation of what was intended.

304. With respect to paragraph 120.21, concerning the Meeting of Experts on Labour Statistics on the Measurement of Underemployment, from an employer's point of view underemployment was a very elusive concept. It seemed likely to mean different things to different people, including for example low productivity, which could be increased by greater work motivation or better adapted working hours, but it was doubtful whether an investment in the study of this problem could be justified. Although she recognized the ILO's interest in bettering the circumstances of underemployed people, the Employer members would be unhappy to endorse the proposal on this subject.

305. With reference to computer services (programme 120.4), she expressed support for the developing use of computers and modern technology in the Office, but recognized that they were very expensive areas. She would like to have seen specific mention of the fact that the introduction of personal computers, which was almost completed for the staff which needed them, should mean either a reduction by up to one-third of secretarial staff, or the transfer of such staff to other types of work.

306. She agreed that technology was not updated simply for its own sake, but to further organizational objectives. She wondered, however, whether the ILO was not going too far in attempting to evaluate and monitor new hardware and technology and thus moving into an area that was more properly the responsibility of manufacturers.

307. Mr. Vanni, for the Worker members, commenting on the proportion of the overall budget that this major programme represented, mentioned that major programme 120 was allocated some 5 to 6 per cent of the budget, had the highest number of Professional staff and had a larger percentage of the finances than even major programme 50 (International labour standards and human rights) or 100 (Sectoral activities). While labour information and statistics was an important means of fulfilling the ILO's mission, it was not the mission itself. The proportional allocation of resources should be reflected upon.

308. The representative of the Government of the United Kingdom noted that, in attempting to save precious time, speakers were required to concentrate on the negative aspects of programmes. This should not be interpreted as a totally negative view of the Office's efforts. He confirmed that his Government valued the activities of this major programme. They were worried, however, that the Committee's agreement to an exceptional increase in the allocation for computer equipment made two years ago for the preceding biennium, in order to replace old equipment and thereby improve efficiency, was now being incorporated into the base-line budget of the programme, with no long-term savings to be seen. The programme was not demonstrating substantive improvements in efficiency, and proposals for additional staff were being made. Only expenditure which improved the results was justified.

309. The representative of the Government of the United States, referring to paragraph 120.27, considered the ILO October Inquiry to be one of the ILO's weakest statistical tools: it required re-evaluation, and the proper forum for such a review would be the International Conference of Labour Statisticians.

310. The training programme described in paragraph 120.23 was not within the capacity of the small staff of the Bureau of Statistics to carry out effectively. The Bureau had too little experience in training, and lacked sufficient practical national experience. National statistical boards were better equipped to provide training. With respect to paragraph 120.21, concerning the Meeting of Experts on Labour Statistics on the Measurement of Underemployment, it would be better to have a group of experts examine available literature on the subject to determine whether such a meeting, and the development of a resolution, was justified.

311. A representative of the Director-General (Ms. Wild, Director of the Labour Information and Statistics Department) wished to allay fears expressed by the Employers concerning the savings of $1 million in non-staff costs. She explained that savings were being made by rationalizing arrangements with respect to the leasing and maintenance of hardware and software. It was proposed that these savings be invested in building expertise in such areas as

networks and data management, where little resident expertise existed and there was a need to provide advice to other departments.

312. With respect to the statement by the representative of the United Kingdom Government concerning the effect of expenditure in one biennium leading to savings and accrued efficiency in the next biennium, she drew attention to the fact that most of the improvements in efficiency and productivity became visible not within the department itself but in increased efficiency in other departments, achieved through improved communications and the increased availability of information. She believed, however, that it was not realistic to expect high levels of savings in the near future.

313. In defending the proposed work on underemployment, she said that it was clear that the figures the Office could currently provide on global or regional unemployment were very under-representative of the extent of the problem, and would remain so until a clearer definition of underemployment was available.

314. With respect to the training programme, she agreed that the Bureau of Statistics was small, but its staff possessed highly specialized skills difficult to find in any other context.

315. She also drew the Committee's attention to the fact that the first labour statistics training course had been financed entirely by the ILO; 50 per cent of the cost of the second course had been financed from RBTC, and the rest from external sources; the third course was expected to be entirely financed by extra-budgetary resources.

316. Further information could be given if required on the proportion of ILO resources allocated to this major programme.

Major programme 130 - International Institute for Labour Studies

317. Mr. Nasr, speaking on behalf of the Employers, expressed his continued support for the Institute and was of the view that the Institute should be courageous, futuristic and optimistic. In this regard he noted with pleasure that practitioners were also associated with the Institute, and considered that it should maintain its educational function and in so doing establish the internship course for each year of the biennium. On this latter point he was quite firm. In support of his position, he gave the example that it was unacceptable that the internship course given in Spanish or in French occurred only once every eight years. He disapproved of the proposed cut in resources, and hoped that as usual the programme of the Institute would be discussed with its Board before being finally discussed by the Committee.

318. Mr. Sundaram, speaking on behalf of the Worker members, expressed disappointment at the estimated reduction of 11 per cent in the budget. Summary Table 2 showed that headquarters technical programmes had been reduced on average by 4 per cent in order to strengthen the ILO's capacity in the regions, whereas in the case of the Institute there was no such transfer and therefore there was a net reduction. He noted the significance of this calculation, since the Institute would not draw a comparable compensatory benefit from the attribution of tasks on a decentralized basis outside of Geneva. He emphasized the Worker members' concern that further reductions in the Institute's budget would run the risk of impairing the capacity of the Institute to carry out its basic functions. Comparing the budget of the Institute to that of the other major programmes, he observed that Summary Table No. 2 showed the budget for the Institute in the 1994-95 biennium to be

0.94 per cent of the total ILO budget, whereas it had been 1.05 per cent of the total ILO budget in 1992-93 and 1.11 per cent in 1990-91.

319. He further expressed regret that the savings were proposed from a reduction in the internship courses from two to one in the 1994-95 biennium. These courses were an important mechanism for bringing trade union officials into immediate and intensive contact with the principles of the ILO, and he supported the Employers' request that every effort should be made to reinstate the course. However, he made clear that the restoration of the second internship course should not be at the expense of the Institute's work programme, which was already functioning with minimum resources.

320. He congratulated the Institute on its determination and enthusiasm, and expressed support for the major programme, which centred on a unifying theme of labour institutions, economic development, equity and social progress. He expressed continued support for the proposed work areas and the results achieved, particularly since they represented a logical continuation and development of the activities already completed or under way. He congratulated the Institute on addressing issues that were fundamental to the ILO, even when they might prove controversial. Fresh ground was being broken in the areas of social exclusion and social coherence, in addition to the continuation of the work items on labour institutions, equity and growth, changing global production systems, and labour standards and industrial change. The emphasis placed on intensifying the mutual interaction between the Institute and the ILO's major technical programmes was positive, and work on exclusion should be linked to the interdepartmental project on the informal sector. The proposed reorientation of the Institute's means of action was well received by the Worker members. The intention to emphasize its function as an interface between the academic community, the ILO and the ILO's constituents, was in line with the need to make optimal use of the Institute in monitoring relevant work done elsewhere, and together with networking, it could promote a multiplier effect through which the Institute's work brought benefits to the widest possible range of users.

321. The representative of the Government of France, while regretting the reductions, was prepared to accept the proposed major programme, on condition that it was clearly understood that this reduction was in no way a step towards the disappearance of the Institute. There was, and always would be a need for an Institute of such stature to carry out the basic research that must underlie the Office's various action programmes. The proposed programme on social coherence was innovative and of great potential importance.

322. The representative of the Government of China gave support for the Institute, particularly the individual programme areas proposed. He agreed with the representative of the Government of France on the importance of the work of the Institute. He supported the Institute's move towards collaborating more directly with ILO major programmes than hitherto, both in terms of its work programme and its means of action.

323. The representative of the Government of the United Kingdom considered it important for the ILO to interact informally with the outside world so that it could keep abreast of new ideas and stay in touch with a variety of real worlds. That was the role of the Institute. She also supported the effort the Institute was making to root itself in the mainstream work of the major departments, and hoped that the ILO departments would respond. Although not all the areas that the Institute planned to address during the biennium would meet with her Government's full support, she supported the work to be done on the question of labour standards and free markets. She hoped that the Institute would remain courageous in its choice of subject-matter for study. She hoped that, where the findings may be

uncomfortable for the Organization, they would not be ignored, but would instead lead to real changes in the ILO's approach on some key issues. She welcomed the readiness of the Institute to accept savings, and was pleased to learn that the entire internship programme would not be cut, but that one internship would remain. She supported a slight reduction in resources for the Institute, as for other programmes, to enable savings to be diverted to new priorities.

324. The representative of the Government of Australia recalled the Director-General's introductory remark that the changes in the programme and budget proposals should enable the technical services to increase their intellectual contribution to major debates in the international arena. That was also the role of the Institute. He supported the preliminary work specified in the proposals, and the growing link between the Institute's activities and those of several of the ILO's major technical programmes. He questioned the basis of the cut in the resources for the major programme, and asked whether they pertained entirely to a reduction in the internship courses or to other parts of the programme. Constituents had high regard for the internship courses. In the Asian region in 1992, interest in the places available for that region had exceeded those available on Institute courses; with the reduction in the amount of internships, the situation would become even more difficult. He questioned whether it would be possible to conduct the internships through the Turin Centre, where costs might be lower, as the ILO could offer residential accommodation. The ILO needed to examine more cost-effective ways of offering such services in the future.

325. The representative of the Government of Nigeria commended the new approach to be taken by the Institute. The Institute recognized that no organization operated in a vacuum, and this idea was expressed to some extent in the proposals. In this regard, no progress would be made; the role of labour standards in programmes of industrial restructuring and economic transition could be examined, and these were some of the activities the Institute would be examining in the next biennium. He expressed concern that the 1992-93 biennium allocation was higher than that for the 1994-95 biennium, and shared Mr. Nasr's view on the reduction in resources. He expressed the hope that the Institute would be able to continue to receive the same amount of resources as in the current biennium so as to ensure its effectiveness.

326. A representative of the Director-General (Mr. Gopinath, Director of the International Institute for Labour Studies) emphasized the new orientation of the Institute's programme. The major theme of the Institute had been defined by its Board and the Governing Body. The sub-themes contained in the proposals had been identified in the light of the programme concerns of different ILO departments and in terms of intersectoral issues that were not being addressed in an integrated manner and which were not being addressed coherently in the ILO at present. He hoped that in this way it would be possible for the Institute's work to provide feedback to ILO departments and shape their future programme proposals. In response to Mr. Sundaram's point on the importance of linking the work to be done on social exclusion to that envisaged on the informal sector and the work of major programme 60 (Employment and development), he confirmed that such linkage was expressly foreseen. As regards the internship courses, in view of the suggestions made, the Institute would look very carefully at the most effective ways in which the existing programmes could be carried out in the light of available resources.

Major programme 140 - Interdepartmental projects

327. In addition to the Programme and Budget proposals for 1994-95, the Committee also had before it an Office paper[1] on an interim evaluation of the interdepartmental projects.

328. Miss Mackie, speaking for the Employers, noted that the paper addressed the effectiveness of the individual projects themselves and the evaluation of a new experimental interdepartmental management technique. She expressed astonishment at the expense of such an exercise in learning some elementary management principles and at the triumphant tone of paragraph 11, which implied that satisfactory progress in developing interdepartmental cooperation was something unusual for the ILO. If this were the case, then the experience and the report could usefully be drawn upon for basic management training throughout the Office. The Employers did not support the repetition of this costly exercise, and favoured the consideration of the alternative methods that were outlined in paragraph 21 of the document.

329. Referring to the proposed follow-up on the three existing projects, Miss Mackie stated that large expensive meetings were not necessarily the best form of follow-up; the decision not to hold a World Congress on the Elimination of Child Labour did not mean, as appeared to be implied in the paper, that the child labour project could not receive effective follow-up. Similarly, the Employer members questioned whether, in the present circumstances, a Second High-Level Meeting on Employment and Structural Adjustment was the best use of funds, although they certainly were aware of the importance of the work in this area. In view of the cost, it would be more effective to concentrate the resources on thorough preparations for the World Summit for Social Development. As regards the International Forum on Equality for Women, which would be organized by the International Institute for Labour Studies, the Employers did not feel that such a meeting was necessary, nor did they wish it to be assumed that the question of equality for women should be placed on the agenda of the 1995 Conference.

330. While, therefore, the Employers did not support the continuation of interdepartmental projects in their present form, since they seemed to imply too much top-heavy organization, they did support the proposed activities. This included the project concerning migrant workers. As regards the informal sector, they believed some effort should be made to promote rural occupations in the hope of providing an alternative to the urban informal sector. As for the project concerning environment and the world of work, the work in this area should remain very clearly within the ILO's specific and limited mandates. However, they did not approve of the continuation of programme 140.5 (Coordination of interdepartmental projects and activities) and were strongly opposed to the increase in funds for the 1994-95 biennium.

331. Mr. Gray, speaking on behalf of the Workers, supported the concept of interdepartmental projects and welcomed the preliminary assessment, while noting that it was unfortunate that the Office was not in a position to present a detailed evaluation of the projects at this stage.

332. The Workers expressed interest in the work on structural adjustment in paragraph 12 of the document, and requested that reports be distributed to

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[1] GB.255/PFA/4/5.

Governing Body members, with a view towards further discussion of the Office's position on the subject. Turning to paragraph 17 of the document, he requested a list, even a tentative one, of the activities planned for the new projects before the programme and budget was adopted. Noting that the second year of project implementation would be more difficult, for the reasons explained in paragraph 20, the Worker members agreed that all necessary measures must be applied to ensure that progress would be made. If the projects continued to exhibit successful results, they encouraged the application of the interdepartmental approach throughout the Office and within the technical cooperation programme.

333. The Workers generally supported the three new project proposals for 1994-95, including the more coordinated effort on migrant workers. They welcomed the proposed law and practice analysis, the examination of the role of private employment agencies, and the promotion of international labour standards as described in paragraphs 140.15 to 140.17 of the proposals. However, they expressed disappointment at the absence of any reference to tripartite involvement in activities under this project.

334. Reiterating the Workers' position that - due to the lack of basic worker rights and protection, the absence of social security, and the exploitation of workers - the ILO should not promote employment in the informal sector, he stated that the ILO must clearly define its work in this field. He was primarily concerned with promoting unions in the informal sector of developing countries and improving the condition of women in the rural informal sector, as women accounted for up to 80 per cent of the income generated in some developing countries. Turning to paragraph 140.23, he questioned whether the ILO should be involved in areas such as the improvement of productivity in the informal sector through measures such as credit facilities and improved technology, which were not within its basic competence or mandate. However, the Workers supported many other proposals for action in the informal sector, namely the activities on the elimination of forced labour, the protection of working children, training and labour inspection. They also supported the proposed project concerning the environment, and particularly the proposal in paragraph 140.50 on trade union education programmes, which they hoped would focus particularly on the rural sector and on chemical hazards and pesticides. The Worker members also supported the renewal of the programme flexibility reserve.

335. The representative of the Government of Denmark noted that the Office had often been criticized by the Employers for its poor management and lack of coordination between departments, but was now being criticized for trying to do something to improve its practices. He admired the Director-General's courage and honesty in submitting a bold paper which admitted that there were still problems. He noted that the three new projects would require different approaches, as they were different in scope and conception. After close examination of the paper and the lessons that had been learned so far, he expressed strong support for the notion of interdepartmental projects and for the three new project proposals, especially for that concerning the environment. The speaker also supported the programme flexibility reserve, and hoped that some funds would remain available for the second year of the biennium.

336. The representative of the Government of Germany agreed with the comments made by the previous speaker but expressed concern at a possible overlap between programme 140.2 (Migrant workers) and programme 60.5 (Migration and population). He wondered whether, in the project on international migration, the ILO should promote the ratification of Convention No. 143, as a more appropriate way of dealing with problems with that Convention would be to conduct a general survey under article 19 of the

Constitution. Referring to the Employers' comments about the environment project and the earlier discussions under major programme 100 (Sectoral activities), he noted that the ILO should respect the role of other organizations in this area and should stay within its mandate. He thought that assistance to the countries of central and eastern Europe in this field might also be provided under major programme 280 (Field programmes for Europe). He expressed reservations about the programme flexibility reserve, which contained 34 per cent of the programme's resources. Without any evaluation of how this money had been spent during the 1992-93 biennium, he felt that some measure of scepticism was justified.

337. The representative of the Government of the United Kingdom also found the evaluation paper disarming. Appreciating its frankness, she found the experiment encouraging, even though it was too early to carry out a full evaluation, and suggested that the Office might apply what it had learned to more general management areas. She agreed with the Employers that it was not necessary to end the projects with a high-level meeting of some kind. She particularly supported the two proposed new projects on migrant workers and the informal sector in the coming biennium, but expressed some concern that the environment project might overlap with the work of other organizations. In conclusion, she expressed approval for the continuation of the programme flexibility reserve, but emphasized the need for a more critical, detailed and well-publicized examination of any candidates for its support. Thus, she felt it was too early at this stage to assign funds to any specific areas.

338. Referring to programme 140.2 (Migrant workers), the representative of the Government of the United Arab Emirates commended the efforts made by the ILO in promoting the interests of migrant workers. He asked for explanations of the different time periods for Professional and General Service work-years, and wondered what would happen after expiry of the Professional work period. He also queried the ratio of General Service to Professional staff resources for this programme, and wondered what criteria were used in the selection of the 30 countries, especially in light of the rather weak information available on migrant labour. As the programme had been afforded $1,891,000 while other well-defined programmes were being reduced, he requested more details of how this sum had been determined, as it was very important to establish priorities when resources were limited. Recalling the positive accomplishments of the 1992 Conference in the area of migrant labour and the related resolution, he felt that the programme might be re-evaluated in accordance with certain priorities so that countries which received and exported migrant labour might cooperate more closely.

339. The representative of the Government of the United States appreciated the usefulness of the programme flexibility reserve, but questioned its size during a period of financial constraints and felt that it should be reduced.

340. The representative of the Government of Japan said that it was important to follow up on the three projects that had been started in 1992. Therefore, he thought that more resources should be allocated to programme 140.1 (Follow-up on the 1992-93 interdepartmental projects) and that new projects should not be implemented at such a rapid pace. He expressed reservations about the programme flexibility reserve, as it had not been allocated to any specific activities. He agreed with earlier remarks about the need to examine it more closely.

341. The representative of the Government of Cameroon expressed her support for the major programme, particularly in relation to the proposals concerning migrant labour and the informal sector. The main emphasis should be on workers' rights in their countries of immigration, and in this respect

concrete action such as the implementation of labour standards should be taken, as opposed to further studies.

342. The representative of the Government of Argentina endorsed the interdepartmental projects, as the approach allowed several departments to focus their energies on selected priority areas. He regretted the fact that doubts had been expressed about the Second High-level Meeting on Employment and Structural Adjustment and the International Forum on Equality for Women. Turning to the three new project proposals, he felt that more emphasis should be placed on the informal sector, particularly by efforts to improve the situation of women, as they constituted a high percentage of the workforce in this sector.

343. The representative of the Government of Bangladesh thanked the Office for taking note of the resolution on migrant workers in Asia, adopted by the Eleventh Asian Regional Conference in 1991, and for dedicating one of the interdepartmental projects to migrant workers. He wondered whether it would be possible to hold the proposed meeting of experts during the 1994-95 biennium, instead of during 1996-97, so that the serious issues highlighted in the resolution might be discussed as quickly as possible. It was necessary to consider both sides of the migrant worker problem: that of the host country and that of the country of origin, which must often reabsorb large numbers of return migrants into the national economy. Concerning the informal sector, he felt that it would be useful to examine the urban sector more closely over a longer period, such as five years, and to examine the informal activities of different regions.

344. A representative of the Director-General (Mr. Martin, Coordinator of Interdepartmental Projects and Activities) stated in reply to the Employers that one of the objectives of this major programme for the current biennium was to try to evaluate the benefits of introducing innovative management practices for project planning, execution and evaluation. Organized interdepartmental cooperation which aimed to achieve specific results on a long-term basis was a new approach for the ILO, and one which to his knowledge had no precedent in any of the other United Nations organizations. The Office had therefore turned to the private sector to see whether project management techniques used in large corporations could be applied in the ILO. In fact, it had been found that large corporations also experienced problems that were in some respects similar to those experienced in the Office. He felt that the experience, both positive and negative, gained from the exercise would prove beneficial to the Organization in the future. As regards cost, interdepartmental projects were no more costly to execute than any other programmes.

345. He was surprised that the Employers now seemed unwilling to support the proposed Second High-Level Meeting on Employment and Structural Adjustment. It was his understanding that there had been broad support for the meeting when the issue had been discussed in the Committee on Employment during the last Governing Body session. The proposed International Forum on Equality for Women would in his view be an extremely important meeting, since the results of studies conducted in respect of equality for women would need to be critically reviewed before the Office could proceed to disseminate the knowledge and experience gained, and before it produced a Conference report on the issue of equality for men and women if this were placed on the agenda of the Conference in 1995.

346. He assured the representative of the Government of Germany that the interdepartmental project on international migration in no way replaced or duplicated any of the work to be undertaken by the Migration and Population Branch of the Employment and Development Department. That Branch would

continue to carry out its normal work, although it was clear that it would be an active and important partner in the interdepartmental project. The aim of the project was to mobilize an interdepartmental effort to examine the situation in some 30 countries. Turning to the question posed by the representative of the Government of Germany concerning Convention No. 143, he stated that the intention was not so much to promote ratification of the Convention as to examine the discrepancies between national law and practice and the Convention. This might subsequently lead to the revision of the Convention, since the fact that so few countries had ratified it might indicate that it needed modification. In response to other comments, he assured the Governing Body that the problems faced by expatriate workers who returned to their home countries would certainly be examined within the overall context of the project. The reason why 30 countries had been selected for the project was simply a question of resource availability. The project resources of $1.9 million would not allow more countries to be covered, and it may prove overambitious to attempt to cover so many countries with so few resources.

347. He apologized to the Worker members that the text on migrant worker activities had omitted any reference to the need for workers' and employers' organizations to be consulted on the migration project. This was a regrettable oversight, since employers and workers clearly needed to be fully involved. The comment by Mr. Gray that the improvement of productivity in the informal sector was beyond the ILO's mandate was puzzling, since poverty and poor working conditions in the informal sector were to a large extent due to very low levels of productivity and incomes. He believed that this was entirely within the core mandate of the ILO, and was a subject in which some ILO departments, particularly the Enterprise and Cooperative Development Department, had considerable expertise. Finally, he noted that all the work proposed in respect of environmental issues would be developed within the framework of the recommendations of the Tripartite Advisory Meeting on Environment and the World of Work, which had been unanimously endorsed by the Governing Body at its November 1992 Session.

348. Miss Mackie pointed out that the Employers were not opposed to the holding of the Second High-Level Meeting on Employment and Structural Adjustment. However, it was a very costly exercise. The resources allocated for employment creation, which was the Employers' first priority, had been reduced. They would accept the cancellation of the High-Level Meeting in order to restore resources to employment creation.

Major programme 150 - Development cooperation

349. Mr. Nasr, on behalf of the Employers expressed full confidence in and support for this major programme and its management, as he had repeatedly stated in the Committee on Operational Programmes.

350. Mr. Kebe, speaking for the Worker members, noted that in the trimming of resources, consideration should be given to the officials concerned. As regards the major programme's responsibilities in regard to ongoing reforms in technical cooperation within the UN system and the concept of country strategies, it was important to ensure that the ILO's particular tripartite character be preserved. He supported the thrust of the proposals on multidisciplinary teams and the emphasis on new types of services. However, at the same time, it was necessary for the Director-General to ensure that policies in the field were coordinated from headquarters and that support was given to the staff for new responsibilities through training. In the future, the quality and impact of the ILO's operational activities should gain

from the requirement to report systematically on tripartite participation in such activities.

351. The representative of the Government of Germany, referring to the useful information provided on the distribution of RBTC resources by major programme in Information annex No. 7, suggested that in the future similar detailed information concerning the technical cooperation activities financed from other sources should also be included.

352. The representative of the Government of the United Kingdom noted the major responsibility of this major programme for the implementation of the active partnership policy. It was important that this concept should also embrace partnership with other development agencies, both multilateral and bilateral. The active partnership policy required attention to coordination and management, and in this respect the emphasis on standardized reporting systems and improved evaluation measures was welcomed.

353. The representative of the Government of Cameroon emphasized the importance of this major programme, particularly for Africa. Therefore, it was regretted that its financing depended to a very large extent on extra-budgetary resources. As the experience of African governments had shown, dependence on such resources put this important programme in a precarious position, and she therefore requested that a greater portion of the programme should be covered by the regular budget in the future.

354. The representative of the Director-General (Mr. Trémeaud, Director of the Department of Technical Cooperation) assured the Committee that all the comments made would be taken fully into account. The major programme was constantly promoting the concept of tripartism, not just in the ILO's own operations but in all contacts with other UN agencies. Referring to Information annex No. 5, which contained information on the distribution of other sources of funds, i.e. extra-budgetary funding of operational activities, he pointed out that the Office would seek to improve the presentation of information on other sources of funds in future programme and budget documents. The importance of improving evaluation and substantive reporting to the Governing Body was a fundamental preoccupation of the major programme.

Major programme 160 - Personnel

355. Mr. Vanni, speaking on behalf of the Worker members, congratulated the Director-General on the improvements made in staff relations. He stressed that reinforcement of job security, career development for all staff categories, retraining, and staff mobility would have to be carried out in consultation with the staff and with respect for statutory procedures. He expressed support for the efforts to rejuvenate the Professional staff, to raise the number of women in the Professional category to 31 per cent by 1995, and to improve the geographical distribution of staff.

356. Given its mandate and specificity, the Workers felt that the ILO should be a proactive participant in the UN common system.

357. Miss Mackie, speaking for the Employers, stated that this administrative support major programme should be regarded with great importance as the ILO was the world body which should have the most expertise in personnel management. She recalled that staff costs comprised about 70 per cent of the Organization's total budget. Although there were substantial non-staff cost increases in this major programme, they largely related to the

PERSIS computer system, and the Employers strongly supported PERSIS and hoped that it would be implemented as early as possible.

358. The Employer members supported the work on human resource development and career planning. They were, however, perplexed by the assignment of a lawyer to deal specifically with formal complaints under article 13 of the Staff Regulations, as major programme 190 (Legal services) already provided legal assistance.

359. The Employers recalled that the ILO did not appear to have a specific personnel policy. They welcomed the detailed description of the programme, which was substantially administrative. However, they continued to believe that employment policy was not given the appropriate degree of priority if the ILO sought a position as a world leader in matters of employment. They encouraged the Director-General to give personnel policy priority and to obtain the benefit of advice on personnel issues on the same level, and with the same degree of professional skill and standing, as he received on legal and financial matters.

360. The Employer members enthusiastically endorsed the aim of keeping the ILO constituents, as well as management and staff, informed of personnel policies and practices.

361. The representative of the Government of Germany commented that paragraph 56 of Information Annex No. 2 contained a very general reference to the "lapse factor" which had been discussed two years previously and noted that an agreement with other organizations about this figure had not yet been obtained. The speaker recalled the need to eliminate the extra ILO salary steps so that ILO salaries would conform to UN common salary scales, as had been requested by the UN General Assembly. He associated himself with the Employers' statements about the assignment of a lawyer to programme 160.3 (Personnel administration) and asked how this function would be coordinated with major programme 190 (Legal services).

362. The representative of the Government of the United Kingdom considered that an effective personnel policy would be one of the main keys to achieving the reforms that the Director-General had initiated. A really effective personnel policy would bring the Organization into the 1990s, not only in terms of what the ILO offered its staff but also in terms of what the staff were capable of doing for the Organization. Her Government particularly welcomed the emphasis placed on follow-through from prospection and initial recruitment through continuing training, to career counselling and emphasis on staff mobility.

363. The speaker expressed some reservation about the proposed increase in resources and wondered whether it would have been possible to find more offsetting savings in the programme. In the long run, it was hoped that PERSIS and other technological improvements would permit some reduction in the number of General Service posts.

364. Turning to the significant cost increases in the Staff Health Insurance Fund described in paragraph 160.34 and welcoming the assurance of tighter financial control, the representative of the Government of the United Kingdom felt that costs of over $6 million during the biennium merited closer examination and suggested that a paper might be prepared for consideration at a future meeting of the Programme, Financial and Administrative Committee.

365. In conclusion, she supported the earlier remarks that had been made by the representative of the Government of Germany about the elimination of

the extra ILO salary steps and requested an update on progress in this area. Noting that the WHO had recently agreed to eliminate extra steps for new staff and to consider phasing out these steps for all serving staff with due respect for acquired rights, she expressed the hope that the ILO would soon present similar proposals to the Committee.

366. The statements made by the representative of the Government of the United Kingdom about the elimination of the extra ILO salary steps were supported by the representative of the Government of Canada.

367. The representative of the Government of the Congo voiced his support for the major programme; however, he was concerned that there was not an adequate balance of staff from different geographic areas. He felt that special attention should be given to improving this situation under the staff recruitment subprogramme (paragraphs 160.14 and 160.15), with particular consideration towards recruitment from Africa and the developing countries.

368. The representative of the Government of Nigeria agreed with the previous speaker who referred to the low representation of the African countries, and proposed that certain recruitment conditions might be eased to enable more Africans to serve in the Organization. He asked the Office to examine this matter closely and to make a concerted effort to correct the imbalance.

369. The representative of the Australian Government welcomed the emphasis on human resource development, career planning, and training, but was disappointed by the small increase in the staff training allocation. This activity, together with voluntary retrenchment and early retirement, would have to support the major structural and operational changes that the Organization would be undergoing during the next biennium. While he expressed interest in the comments about rejuvenation of the Professional staff and enhancing the position of women in paragraph 160.14, he requested further information about these concepts.

370. The representative of the Government of the Russian Federation agreed with the statements of the representatives of the Governments of Germany, Canada, and the United Kingdom about the need to eliminate the extra ILO salary steps.

371. In reply, a representative of the Director-General (Miss S.C. Cornwell, Director of the Personnel Department) identified four main subjects that had been discussed.

372. First of all, she recognized that there was a need for further policy development, indicated that additional guidance would be welcome, recalled that budget resources had been provided for external expertise, and suggested that the subject might be discussed in more detail during a separate meeting on the subject.

373. Concerning the elimination of the extra salary steps as requested by the UN General Assembly approximately 18 months previously, she recalled that those extra steps had been introduced several years ago as part of a negotiated agreement with the staff which had been endorsed by the Governing Body. The WHO was to present a second paper on this issue to its Executive Board in May 1993 and the ILO was in contact with WHO on this. In accordance with consultation procedures, negotiations with the Staff Union through the Administrative Committee had been started and the Workers could be assured that the views of the consultative bodies would be fully respected. The Office was committed to seeking a negotiated agreement and hoped to present it to the Committee in November 1993.

374. The Director of the Personnel Department suggested that the issues of recruitment and geographical representation be discussed by the Committee in more detail the following week when considering document GB.255/PFA/5/7 (Composition and structure of staff).

375. Regarding the assignment of a lawyer, she explained that this would be cost-effective because it would help prevent expensive administrative tribunal cases. The personnel lawyer would undertake preparatory legal analyses which the regular staff of the major programme could not perform efficiently as they lacked the appropriate legal training. Major programme 190 (Legal services) had final legal authority on all Office matters, but it did not have the resources to handle all the contentious personnel cases, particularly at the early prevention stages. Noting that her view was shared by the Legal Adviser, she explained that the WHO and the FAO had also assigned lawyers to their personnel departments.

376. On the questions about rejuvenation and targets for women in the Professional category, she said that internal targets for the Professional category had been set: of the total of 30 to 40 recruitments a year, six to ten positions were set aside for younger staff and a recruitment target of 31 per cent for women had been set for 1995. These could be reflected in the budget text if requested.

377. Referring to the lapse factor, a representative of the Director-General (the Treasurer and Financial Comptroller) recalled that the Director-General had submitted a paper (GB.252/PFA/3/4) on the subject one year previously. Paragraph 4 of that document had stated that the lapse factor was 1.2 per cent of staff costs and had suggested that this rate be maintained for the future budget. Accordingly, the lapse factor in the Programme and Budget proposals for 1994-95 represented 1.2 per cent of the total staff costs, and had been shown as a deduction in the appropriate budget tables.

Major programme 170 - Financial and central administrative services

378. Miss Mackie, speaking on behalf of the Employer members, said that she had some points to raise but would do so in the Working Party on Improvements in the Functioning of the Governing Body. She congratulated the Office none the less for the efficient management of the ILO's financial resources and looked forward to the introduction of an upgraded fire alarm system and the proposed improvements in the interpretation equipment.

379. Mrs. Carr, speaking for the Worker members, complimented the Office for the presentation of major programme 170 and expressed her satisfaction with the management of the Office's financial resources. In the current financial crisis, she wondered if it would be feasible in specific cases for the Office to accept supplementary external financing, such as was often provided by the European Economic Community. While this might mean a fundamental change of policy or perhaps the need to re-evaluate the ILO's Rules and Regulations, she believed that this could be a positive option worth considering. and one which could assist the Organization to achieve its goals.

380. The representative of the Government of the United Kingdom praised the professional competence and skill of the management and staff of this major programme and expressed her satisfaction with the general conduct of the department. It was however curious to note that, while technical departments within the Organization had been subject to programme cuts of around 4 to 5 per cent, this department, with a current budget of over $40 million, had

been able to generate a reduction of only 1.25 per cent even when cost savings of decentralization had been accounted for.

381. She wondered if additional cost savings could be made, especially in programme 170.4 (Internal Administration) which alone had a total proposed budget of over $30 million. Perhaps the Office could consider the option of contracting the current in-house travel facilities to an independent agent. Alternatively, perhaps savings could be generated by reducing expenditure on internal and security services which alone had been allocated a budget of over $8 million, nearly as much as the entire field programme for Europe. A more substantial justification of the proposals contained in this subprogramme was certainly warranted, and she requested the Office to submit a report to the Committee at a future session of the Governing Body which would provide more detail on total expenditure and staff resources.

382. The representative of the Government of Australia endorsed the remarks made by the representative of the Government of the United Kingdom requesting a closer examination of potential cost savings within the department. There was certainly no need to question the role of the department or the quality of services provided, but at a time when the entire Organization was asked to make substantial financial sacrifices it was curious that the savings attributable to this department amounted to only 1.28 per cent of the total budget, mainly attributable to the decentralization of certain operations to the regional offices.

383. The department accounted for a large number of staff: 44 Professional work-years and 278 General Service work-years. The budget cuts of approximately $20 million approved by the Governing Body at its 254th (November 1992) Session had for this department affected primarily non-staff resources. Within the large resources available to it, there would seem to be scope for savings and improvements of productivity. It would be worth while to review current departmental operations during the next year or so.

384. A representative of the Director-General (Mr. Ahmad, Treasurer and Financial Comptroller) referring to earlier comments on the text in the programme and budget proposals concerning the security services, assured the Committee that future budgets would provide more detail in the text for this programme.

385. On the comments concerning the budget reductions within the department, this major programme had in fact suffered reductions of $614,000 in the 1988-89 biennium, $716,000 in the 1990-91 biennium and $1.44 million in the current biennium. Three biennia ago this department represented 8.4 per cent of the total budget of the Office; now it had been reduced to 7.5 per cent.

386. More important was the potential for generating future cost savings. Here two important developments were now being actively considered. Firstly, the contract for the technical installations of the building was due to expire during the next biennium and in the current economic climate he was confident of negotiating more favourable terms and conditions for the maintenance of the air-conditioning and heating installations, both of which were costly to operate. The Office had already recruited a consultant, formerly responsible for the maintenance of public buildings for the Canton of Geneva, to investigate the possibility of reducing overall building maintenance charges. Secondly, the Swiss Government had recently launched a project in which the aim was to investigate ways of reducing the energy requirements of large buildings. The ILO had volunteered to participate in this pilot project with the aim of benefiting from some of the technical

expertise available but no formal acceptance had as yet been received from the Swiss authorities.

387. In respect of the proposal concerning the abolition of an in-house travel agent, he noted that the working relationship with the existing agency was very efficient and the Office also gained valuable income from the rental of Office space to it. The agency was also active in negotiating airline rebates with a number of major companies and he therefore regarded the practice of an in-house travel agency to be in the interests of the Office.

Major programme 180 - Editorial and document services

388. Miss Mackie, speaking on behalf of the Employer members, hoped that there would be an opportunity in the near future for the Governing Body to review in more detail the overall working of this department. While the main functions of the major programme were described in paragraph 180.6, it would be beneficial to discuss, among other things, the general operation of this programme in relation to the remainder of ILO activities. More details could also be provided on the revenue earning capabilities of the major programme which were not adequately covered in the document before the Committee. Of course the Periodicals Branch of the department was an important vehicle for the dissemination of information and research on a broad range of labour issues at an academic level.

389. On printing and typing, Miss Mackie requested that ways should be found to achieve a better balance between legibility and length in Governing Body documents, perhaps by using a different typeface. All departments should be using desk-top publishing systems in the interests of improving document clarity and presentation and she hoped that the Office could make some progress on this issue in the near future.

390. Mrs. Carr, speaking on behalf of the Worker members, felt that the continued and increasing use of technological innovations within this major programme would enable the Office to achieve further reductions in expenditure on editorial and documentation services. In respect of paragraph 180.10, however, it was unfortunate that most major ILO publications could only be issued in one language, especially in view of the global importance of the topics covered by the Office, and this was unfair to the ILO's constituents who did not have English as their native language. The Office should evaluate all options available to try to find the resources which would allow the publication of major documents in a second or third language as well.

391. The Worker members appreciated and strongly supported the efforts of the Office in providing a large number of publications covering a broad spectrum of labour issues and she noted that these documents were frequently used and referred to by her colleagues in their everyday non-ILO activities. It was vital to continue to bring to the attention of the general public the work done by the Organization and she endorsed the proposals for this major programme.

392. The representative of the Government of the United Kingdom agreed with the Employer members that it would be useful to discuss this major programme in greater detail when time permitted and she agreed with the Worker members that it could yield additional savings. Substantial savings had already been made but a review of the number of documents produced and distributed compared with the quantity actually required might allow some additional economies to be made.

393. The Publications Revolving Fund should be allowed to retain 100 per cent of the income generated from the sales of ILO publications instead of only 75 per cent as at present. The 25 per cent currently transferred to the Working Capital Fund did not greatly supplement the balance of that Fund but it would be significant for the Publications Revolving Fund. Since the operation of the Working Capital Fund had been reformed following recent Governing Body discussions it would be appropriate for the Office to consider changing the current rules governing the Publications Revolving Fund and the Office should present the Committee with a paper on this subject.

394. The representative of the Government of Germany noted that major programme 180 had suffered the largest reductions in absolute terms of all ILO programmes, but he agreed with earlier speakers' comments that additional savings could still be generated within it. For example, it was common to receive an excessive number of non-recurrent publications and periodicals but insufficient copies of other publications such as the World Labour Report. One solution to this problem could be to establish some form of summary description of the contents of the various publications which could be sent to all potential users. Constituents could then indicate the number they required thereby avoiding unnecessary waste.

395. The representative of the Government of the Russian Federation considered that the Editorial and Document Services major programme was vital and the Office should try within the bounds of current budgetary constraints to increase the amount of published work generated by the Organization.

396. He welcomed the efforts already achieved by the Office in saving costs and suggested that additional savings could be generated by allowing documents to be printed directly by member States. A questionnaire on document and publication requirements could be sent to all constituents to establish their needs more accurately.

397. He strongly supported the general objective of disseminating a larger number of ILO publications in the national languages of constituents. For this reason a review of the major programme was necessary to generate savings which could be used to help member States to translate and publish ILO publications in their countries. He agreed with the remarks made by the representative of the Government of the United Kingdom and supported the proposal for all income generated from the sale of ILO publications to be retained by the Fund.

398. A representative of the Director-General (L. Tchalykh, Director of the Editorial and Document Services Department) expressed gratitude for the support given to the major programme, especially the comments made by the representatives of the Governments of the United Kingdom and the Russian Federation concerning the retention in the Publications Revolving Fund of 100 per cent of income earned from sales, and a paper on this subject would be submitted at a future session of the Governing Body. The department had been subject to very close scrutiny in the search for savings, in common with other departments in the Office, and it was difficult to see where further savings could be made.

399. He emphasized that his department had been subjected to considerable pressure to reduce costs, not only this biennium but also in previous biennia, and that this had necessitated significant but positive internal efforts to increase its operating efficiency. It would certainly be difficult to generate additional savings but, with a conscientious staff committed to improvements, he would certainly investigate all possibilities to find more savings if this was absolutely necessary.

Major programme 190 - Legal services

400. There were no comments on this major programme.

Major programme 200 - Programming and management

401. Miss Mackie, on behalf of the Employers, emphasized the importance of this major programme, particularly with respect to evaluation, which the Employers considered very important, and she hoped that more information could be made available to the Governing Body as a result of these evaluations. This matter would be discussed in more detail at the forthcoming session of the Working Party on Improvements in the Functioning of the Governing Body.

402. Mrs. Carr, on behalf of the Workers, acknowledged the complexity of the tasks and expressed appreciation for the work carried out by this major programme. She welcomed its monitoring functions, particularly in view of the major changes the Office was undergoing and hoped that the spirit of cooperation with the major programme characterized by its consultations with the groups would continue.

403. The representative of the Government of France welcomed the work envisaged by this major programme and its functions as outlined in paragraph 200.3, in particular the new evaluation system. This was an essential and useful tool, the results of which should be shared with the Governing Body. He therefore suggested that some of the information now available should be shared with the Governing Body regularly, possibly at its February and November sessions.

404. The representative of the Government of the United Kingdom acknowledged the key role of this major programme with respect to the implementation and evaluation of the new reforms. She noted that self-evaluation had its limits, but recognized that the new systems should not be burdened with excessive bureaucracy. Staff decentralized to the field and the multidisciplinary teams should be given full responsibility in carrying out their functions and judged by the results. She also supported the proposal made by the previous speaker concerning regular reporting to the Governing Body.

405. The representative of the Government of Australia stressed the important contribution which this major programme was expected to make to the implementation of the planned reforms, in particular of the active partnership policy, and welcomed the emphasis placed on monitoring, evaluation and management advisory services. He hoped that the International Labour Conference and regional meetings would also continue to provide an opportunity to consider evaluation matters on a regular basis.

406. A representative of the Director-General (the Director of the Bureau of Programming and Management) expressed gratitude for the support given to this major programme and for the comments made.

Major programme 220 - Relations and meetings

407. Miss Mackie, speaking for the Employers, noted the high cost of translation and interpretation and of reproducing documents. She asked whether any firm criteria were applied regarding the specific language services provided for different meetings. She understood that some languages incurred exceptionally high interpretation costs. The proposed and imminent discontinuation of the position of Chief Interpreter was, however,

questionable: she had raised doubts on this matter during the discussions on the projected income shortfalls, and hoped that the Director-General would withdraw this proposal. It was essential to retain this post.

408. Mrs. Carr, speaking for the Workers, supported this view: the matter did not concern the individual occupying the post, but rather the special nature of the Organization. Good interpretation was essential for the smooth conduct of business at all ILO meetings, including the Governing Body and meetings held outside Geneva, and the long hours involved were known to all members of the Governing Body. The reasons for abolishing the post were also unclear: the International Labour Conference alone involved some 250 interpreters for a period of three weeks, and the quality of services provided could not be criticized; indeed, it had now achieved excellence, and the Chief Interpreter obviously had a highly complicated task to perform that required combining a high degree of organizational competence with good personnel management. The Workers therefore urged the Director-General to reinstate this position with immediate effect.

409. The representative of the Government of Tunisia expressed serious reservations at the proposed abolition of the post of Chief Interpreter. He therefore welcomed the calls from the Employer and Worker members for its retention. The post was highly important in view of the large number of meetings organized by the ILO and of interpreters recruited to service them. He also questioned the implications of the resource situation of this major programme, as described in the proposals, for services in Arabic and other languages in the same category: such services should be regarded as a priority, and he hoped that it would be possible to maintain at least the present level of such services, and that they would not be left simply to depend on the possibilities of the moment.

410. The representative of the Government of Canada considered that the question of the post of Chief Interpreter was a matter of internal management, and it was not appropriate for the Governing Body to call into question this type of issue. She had full confidence in the Director-General who had presumably considered the overall situation and organizational arrangements in detail before taking such a decision: the Director-General should remain free to take such decisions, for if the Governing Body denied him such room for manoeuvre, it would be impossible for him to manage the Office effectively.

411. The representative of the Government of Morocco attached particular importance to good interpretation and translation services: it had been noted in connection with major programme 50 that the shortage of national-language versions of international labour standards was one of the factors impeding the submission of instruments to competent authorities for ratification. He therefore asked that translation should receive the necessary priority within the programme as a whole, and in particular that the position of Chief Interpreter be retained.

412. The representative of the Government of Ireland welcomed the effort to find savings in this major programme. However, the management of interpretation services was a priority: had it been proposed to use the savings resulting from the abolition of the position of Chief Interpreter to finance other priorities, such as technical cooperation, then he could have accepted the proposal. However, the suggestion was that the savings would be used to finance the protocol service, which hardly seemed a priority, and he therefore joined the Employers and Workers in calling for the retention of this position.

413. The representative of the Government of the United Arab Emirates stressed the importance of interpretation and translation services for the

success of ILO meetings, and emphasized that there should be no discrimination regarding certain languages. He therefore supported the call for the retention of the post of Chief Interpreter.

414. The representative of the Government of Argentina observed that a relatively minor issue seemed to have become important. The ILO's interpretation services were from his own experience second to none: in an agency that used more languages than any other in the United Nations system, this suggested that these services had a good chief. However, the discussion seemed to be turning into a confrontation of sorts, and this was unfortunate.

415. The representative of the United Kingdom Government noted that, while savings had been identified, the work of the major programme would remain largely the same. It was unthinkable that the Director-General would take a decision that was likely to damage the interpretation services, but at the same time he understood the sensitivity that surrounded the question of discontinuing the post of Chief Interpreter. However, he agreed with the representative of the Government of Canada that it was improper to call into question the details of such internal management decisions. Rather than urge the Director-General to restore the proposed cut, he invited the Director-General to exercise his discretion and seek further savings.

416. The representative of the Government of Denmark considered that the question seemed to be one of good management, and not one that concerned interpretation as such. It seemed strange that in no other major programme had members of the Governing Body thought fit to instruct the programme managers how to run their programme at such a level of detail. Time and time again the Governing Body had requested the Director-General to take sound management initiatives to do the same work at less cost: here was a response from the Director-General to that request, and some members of the Governing Body were rejecting it. He did not dispute the claims that the interpretation service was the best in the world, but he trusted that the Director-General was not proposing any reduction in quality, and savings in the present financial situation were highly welcome.

417. The representative of the Government of Germany considered that the matter was a practical one: all members of the Governing Body and participants in ILO meetings depended on the quality of interpretation and translation services, and it was legitimate therefore to delve into the organizational arrangements involved. He had doubts as to whether it was a good idea to abolish the post of Chief Interpreter, which obviously involved an ability to organize and to manage people effectively and was difficult to perform as an incidental or fragmented task. Obviously the Director-General would not make proposals that in any way would detract from the quality of interpretation services, but this proposal gave rise to concern, for the interpretation service had worked well for decades with a Chief Interpreter, and this was not an area where experimentation seemed advisable.

418. The representative of the Government of Cameroon, speaking on behalf of the African Government members, supported the view of the Employer and Worker members that the position of Chief Interpreter should be maintained. The post was important, and the ILO as a body concerned with unemployment should not abolish jobs in this way.

419. The representative of the United States Government considered that the discussion was out of all proportion to what was in effect an issue of micro-management. If the Director-General could assure the Governing Body that the Office could continue to provide the same quality of interpretation without a Chief Interpreter, then he supported such a saving.

420. The representative of the Government of France did not wish to intrude on matters of internal management or to question the judgement of the Director-General of a major international agency. However, from a political point of view the retention of the post of Chief Interpreter might well offer more advantages than difficulties.

421. The representative of the Government of India agreed with the representatives of the Governments of Canada and the United Kingdom on the issue. There was no doubt about the quality of the interpretation services in the ILO, and credit for this was naturally due to the Director-General alone. However, to discuss the proposed abolition of the post in the Committee in this way smacked of attempted political interference. The matter should be left to the Director-General's own judgement.

422. The Director-General observed that the discontinuation of the post of Chief Interpreter had already been proposed to the Governing Body as part of the programme adjustments intended to cope with the projected income shortfalls in the present biennium. It was difficult to accept that the discussion concerned merely a question of good management, and in this connection he agreed with the representative of the Government of Argentina. Thanking the representative of the Government of Canada and other representatives who had expressed confidence in his position on this issue, the Director-General said that he accepted the majority view.

Major programme 225 - Employers' activities

423. Mr. Oechslin, speaking on behalf of the Employer members, expressed support for this major programme, the importance of which was not truly reflected in the amount allocated to it, particularly when compared to the Workers' activities major programme. This was not to suggest a reduction in the latter - rather an increase in the former. There were demands from all parts of the world, even from governments and trade unions, for assistance in developing employers' organizations. The ILO's responsibility in this respect was growing. It had become quite evident that the ILO should provide more support for Employers' activities so they could respond to the demand for their services. The Employers had never accepted the fact that this major programme was so small compared to others, but understood the reasons for that in the past. Today, however, it was no longer understandable. There was still a large gap between the Employers' and Workers' programmes, and although the proposals for the creation of one post for major programme 225 and four for major programme 230 represented equal percentage increases there should be a greater effort to reduce the gap between the two programmes.

424. Mrs. Carr, speaking on behalf of the Worker members, also supported this major programme and commended the Bureau for Employers' Activities for its high-quality work, especially the technical cooperation activities in promoting the establishment of independent employers' organizations in the countries of central and eastern Europe undergoing structural economic change.

425. The representative of the Director-General (Mr. Hammar, Director of the Bureau for Employers' Activities) appreciated the comments of the Committee and assured that the Bureau would continue to carry out its work to the best of its ability.

Major programme 230 - Workers' activities

426. Mrs. Carr said that the Worker members were obviously interested in the activities proposed under this major programme. They were confident that

the Bureau for Workers' activities understood the importance of cooperating with other departments, many of which had already established close working relationships with Workers' activities.

427. The Governing Body should be aware that the 10 per cent increase in resources for this major programme resulted from a transfer from regional budgets and this explained the financing of the four new regional specialists on workers' education. This should not be seen as an increase in resources but rather as part of the reorganization of the ILO. As the increase in extra-budgetary resources for this major programme was being projected at a time when there would be an overall decrease in these resources, the Workers hoped that this was based on realistic and justified assumptions.

428. The success of the policy of active partnership would depend on the manner in which the workers' activities specialist within the multidisciplinary teams collaborated with headquarters staff. If this issue was addressed properly there was no reason why the new arrangements and objectives set out in programme 230.1 (Bureau management and relations) should not be successful. Programme 230.2 (Workers' education) identified appropriate priorities and emphasized the importance of education on workers' rights. The International Symposium on the Role of Workers' Education in the Promotion of Trade Union Rights was an opportunity for worker input on a number of issues: on structural adjustment and development, on health and safety and the environment, on the strengthening of rural workers' organizations and on more general institution-building issues. The particular attention given to standards-related matters and assistance to vulnerable groups such as women, young workers, and migrants was also gratifying. Educational material developed under this programme should be practical and adapted to the real needs and capacities of its potential users, and consistent efforts needed to be made to ensure the maximum impact of the activities undertaken, probably best carried out at national level.

429. Mr. Oechslin, speaking on behalf of the Employer members, endorsed the major programme on Workers' activities as one of the most important in the ILO. Without wishing to interfere with its work, he was sure that the Employers would wish to collaborate closely in education on the safety and health of workers.

430. The representative of Denmark expressed his strong support for major programmes 225 and 230.

431. The representative of the Director-General (Mr. Svenningsen, Director of the Bureau for Workers' Activities) expressed appreciation for the support given by the representative of the Government of Denmark and the Worker members. He also appreciated the interest of the Employer members and would seek ways of cooperating with them in the field of safety and health.

Major programme 235 - Public information

432. Miss Hak, speaking on behalf of the Employer members, noted with satisfaction that The ILO and the World of Work and The International Labour Organization leaflet would be updated. It was important to be able to give information to delegates attending meetings particularly the International Labour Conference, and she asked that the small leaflet on standard setting be reprinted when new information material on the ILO was prepared.

433. Mrs. Carr, speaking on behalf of the Worker members, expressed appreciation for major programme 235 and was pleased that public information documents were available in so many languages.

434. The representative of the Government of the United Kingdom supported the slight increase in programme 235 in view of its importance to the Organization. The Office's publicity policies needed revision because, although efforts were being made to heighten awareness of the ILO, for example, by the London Branch Office, coverage was still very mixed in different member States. Furthermore, press releases were far too long and would need to be abridged sharply if they were to be accepted by the media. Public relations was an important activity and it might now be the appropriate time to target an effective public relations exercise so as to bring public awareness worldwide to the Organization's activities. An increase in resources to this major programme could be provided if a well-designed strategy was proposed for relaunching the ILO as an organization not only for the 1990s but also for the twenty-first century.

435. The representative of the Government of Australia also supported the increase in this major programme in view of the activities to make the forthcoming 75th anniversary activities of the ILO and the 50th anniversary of the adoption of the Declaration of Philadelphia. The new publication _The World of Work_ was a significant advance on its predecessor, the _ILO Information_ bulletin.

436. The representative of the Director-General (Mr. Bauverd, Director of the Bureau of Public Information) questioned whether the allocation of funds to this major programme was sufficient for ILO coverage in the media. The ILO had achieved a number of successes in the audio-visual field, particularly the film on child labour which has been shown on 15 television networks. A number of other activities had been introduced to develop the ILO's presence in English-speaking countries, and in the United States a news dispatcher had been distributing ILO information through 12 major newspapers. It was hoped that a new activity, aimed at gathering and distributing information in the developing countries, could be introduced in the ILO regional offices. Serious consideration should also be given to resuming radio programmes which had been abandoned due to budgetary constraints. These were most effective in Africa, Latin America and Asia.

Major programme 240 - Liaison Office with United Nations, New York

437. Miss Mackie, speaking on behalf of the Employers, sought reassurance that despite the reduction of resources in this major programme the Director of the New York Office would have a position and status that would put him at no disadvantage when dealing with key officials of other organizations.

438. Mrs. Carr, speaking on behalf of the Workers, said that the link with the UN was critically important to the ILO's activities.

439. The representative of the Government of Germany also attached great importance to this major programme, particularly in relation to the World Summit for Social Development. He asked whether the procedure for travel expenses was consistent with that for other regional offices.

440. The representative of the Director-General (Mr. Harari, Director of the Relations and Meetings Department), replying to the Employers, said that the present Director was a D.1 official but the post was previously held by an ILO official at D.2 level. The present Director was doing an excellent job and the savings in this major programme stemmed from this shift in grade. In reply to the question about travel expenses, he explained that in the past there had been a third Professional post with responsibility for attending technical meetings. This post had subsequently been eliminated and the funds

had been reassigned to cover the travel of technical experts to specialized meetings. In retrospect this had proved to be a wise decision.

Review of ILO offices in the industrialized countries

441. The Committee had before it a paper (GB.255/PFA/4/13) reviewing the ILO offices in the industrialized countries.

442. Miss Mackie, speaking on behalf of the Employers, felt that the paper did not give sufficient information about the offices concerned. The review did not appear to have involved consultation with the ILO's constituents in the countries concerned, either. On the information available the Employers believed that the offices in the industrialized countries did not provide benefits commensurate with their costs.

443. The representative of the Government of Denmark considered that the paper before the Committee provided only a superficial review of the subject. While it would be marvellous if ILO offices could be maintained in the industrialized countries, in the present financial situation of the Organization they could not be justified. With modern technology the need for offices in industrialized countries to distribute information had now all but disappeared. The total cost of these offices exceeded that for the annual Conference and the resources could frankly be spent better for other purposes.

444. The representative of the Government of Ireland expressed appreciation of the services and active collaboration provided by the new Director of the ILO Branch Office in London. Nevertheless, there should be a a shift of resources from the industrialized countries to those with greater needs.

445. The representative of the Government of Australia stated that money spent on ILO offices in industrialized countries was a luxury in view of the limited resources of the ILO. Two years ago he had asked for a review giving more information about their operation, as there had been little in the proposals at the time. Like the Employers, he criticized the proposals for providing insufficient information on the offices. Cost reductions of 4.7 per cent were extremely disappointing, although he noted with satisfaction that the Director-General would continue to seek greater support toward their costs from the host governments. Significant savings could be made, for example, if host governments provided space and secretarial support within their ministries of labour.

446. The representative of the Government of the United Kingdom stated that her Government had made it clear that it would consider the merits of any case that the Office put forward, including further cuts or rationalizations, and supported the Director-General's intention to keep the matter under review. The proposals could have made a stronger case for the programmes, and the Office paper was not well designed to assuage doubts. She believed that the London Office was performing valuable work, but if the Office had published a paper arguing against the retention of the offices in the industrialized countries, on the grounds that they were of no use to the ILO, she would probably have accepted this. However, the main reason advanced by the Office to keep these offices open was clearly that it found them useful to itself. The London Office's main functions were organizing training and fellowships for people from developing countries, identifying experts for technical cooperation activities, providing a channel for information to Geneva and the media and other international organizations based in London, selling a substantial number of ILO publications, and promoting relations with the Government and employers' and workers' organizations in the United

Kingdom. The last reason was important, a feeling no doubt shared by the representatives of the Governments of France, Germany and Japan, but if the first four functions were not performed, then the United Kingdom Government would not argue for retention on that ground alone. Any further review should be based on objective criteria and more comprehensive analysis; singling out individual offices because they could be conveniently cut was not acceptable.

447. The representative of the Government of France believed that the ILO should retain the Paris Branch Office. First, historically, because France was, with the United Kingdom, a founder member of the ILO, and although history did not justify everything it did provide a sense of tradition and continuity. In the case of the Paris Branch Office it was a tradition to provide facilities for researchers who came from all parts of the world, especially Africa, who were interested in social issues as well as the ILO. Secondly, the Office provided extensive training facilities. It was also useful to have a showcase for the ILO in Paris.

448. The representative of the Government of Japan welcomed the Office's clear statement on the role of its branch offices in the industrialized countries. Although the paper was short, it was useful. The role of the branch offices was to promote a close relationship between the ILO and governments, employers' and workers' organizations, and other international organizations in areas of mutual interest; to spread the principles of the ILO; to support technical cooperation activities; to undertake research on social and labour issues in the area; to disseminate labour-related information; and lastly, to sell ILO publications. The most important of these were the coordination and negotiation with donors of technical cooperation programmes, and ILO promotional activities. If the branch offices did not continue these activities, the ILO would be less well understood in the regions. The Tokyo Branch Office, for example, made an important contribution to the Asian and Pacific region by holding seminars and study tours. It was hoped that the $112,000 savings made by the Office due to a rent reduction for the Tokyo Branch Office would be used in the Asian and Pacific region.

449. The representative of the Government of Belgium considered that the Office paper contained adequate information. It described a series of worthy activities carried out by branch offices, and for this reason his Government supported its conclusions.

450. The representative of the Government of Germany stated that, despite the impression that might be gained from the statement by the representative of the Government of Denmark, the ILO was not living in an ivory tower ignoring the needs of the Third World while focusing its activities in the industrialized countries. One only had to look at the programme and budget, which showed that major programme 250 (Field programmes in Africa) ranked second in expenditure, whereas major programme 280 (Field programmes in Europe) ranked 16th. Nor was it an error that the paper on branch offices in industrialized countries had not been written in a negative tone. This was surely not the intention, for it contained valuable information. In particular, in paragraphs 8 to 11 of the Office paper it stressed the importance of the offices for technical cooperation activities. Many fellowship programmes could only be carried out in the host countries of branch offices because the branch offices were there. Without them there would be fewer programmes, and fewer persons from the Third World would benefit from the fellowships. The representative of the Government of Denmark had remarked that paragraph 280.15 contained the only clear justification within the programme and budget proposals for regional programmes, but this was not true. Paragraph 260.44, concerning the field programmes in the Americas, contained a similar statement.

451. The representative of the Government of the Russian Federation did not believe that a general recommendation could be made about the branch offices in the industrialized countries because of the different political, economic and social conditions of the host countries. The Moscow Branch Office played an even more significant role than that described in the paper, worth much more than the modest resources needed to maintain it. As the countries served by the Moscow Branch Office were undergoing a difficult period of economic and social transition, even more resources should be made available.

452. Mrs. Carr, on behalf of the Worker members, considered that it would be unrealistic to close the system down. Some speakers had spoken of luxury - but if the Governing Body gave up some of its luxuries the money saved could perhaps be transferred to the field offices. The Governing Body should ensure that the field offices were acting in accordance with the decisions taken by the Governing Body and the International Labour Conference and the direction given by the Director-General. This was critically important for the salvation of the ILO, when so many seemed to prefer its demise. However, the role of the field offices required clarification: were they intended merely as public relations offices or were they also there to work and to offer services? The Governing Body should ask what was actually happening, and governments in particular should ensure that the regional offices carried out the tasks required and expected of them. In some countries the dissemination of information and tripartite contacts could be improved. The prime reason for maintaining ILO offices in the field was to support countries such as the Republic of South Africa (if this became possible) and those in eastern Europe, which were in the midst of transition. Perhaps the ILO had its offices in the wrong places. If so, they should be relocated: for example, temporary offices could be set up where multidisciplinary teams were to be established. Governments should decide if they wanted branch offices and decide what assistance they were prepared to give. The Workers believed it was critically important to retain them, but it was also important to ensure that they were in the right place and carrying out their role efficiently.

453. The Director-General regretted that several speakers had found the paper insufficiently informative and poorly set out. Further information could be supplied if required. The Office had no intention of concealing what was happening in the offices in the industrialized countries or in any other ILO activities. The network of offices in the industrialized countries was simply a result of history and could not be shrugged off. These offices were extremely varied, their only point in common being that they were located in industrialized countries. Some were absolutely indispensable to the work of the ILO. For example, those in Washington DC, and Brussels not only maintained relations with ILO constituents in the area, but also acted as liaison offices with other international organizations such as the International Monetary Fund, the World Bank and the European Communities. Others, such as the ILO Office in Ankara and the Branch Office in Moscow, were essential for the intensive technical cooperation activities carried out in those areas. The other offices were useful too because, independently of maintaining relations with constituents, they were involved in technical cooperation activities. It would be regrettable for both the ILO and for the developing countries if they were to close. The Office might even have to think about its relations with the Nordic countries and the possibilities from there of developing its relations with central Europe. Some offices had been too large and expensive, and savings had been made by not replacing staff and by reducing recurrent administrative expenditures.

454. In the past the role played by the branch offices in disseminating information and in public relations had perhaps been too timid. The Bureau of Public Information had been asked to help Branch Office directors in

developing those functions which could not be carried out satisfactorily if they were concentrated solely in Geneva. The current network of branch offices in the industrialized countries should be maintained bearing in mind the savings that had been made in the North American, European and Tokyo offices. More savings would be made when opportunities arose such as the departure of staff who might not necessarily be replaced. All branch offices were useful - but some were indispensable.

Field programmes

455. Miss Mackie, speaking on behalf of the Employers, observed that the question of the multidisciplinary teams was a subject that did not form part of any particular major programme but concerned all the regional programmes as a whole. There was a need for consolidated information on their aims, and their personnel establishment, the changes in methods of managing work, and the overall cost aspects required further clarification. The roles of both the team leaders and the heads of the existing regional and area offices needed to be defined in this new structure.

456. In this new structure the demands on expertise for both the multidisciplinary teams and headquarters were an area for concern. In particular in the area of social security a shortage of expertise could clearly be foreseen. The teams needed to identify the requirements of their tripartite constituents, and should coordinate with the countries concerned. Furthermore, they should also try to find solutions to problems within the countries they covered. However, they should at the same time plan and assess their own work. She requested a progress report on the work up to 1993 of the first team appointed which should be presented to the Governing Body in February-March 1994.

Major programme 250 - Field programmes in Africa

457. Mr. Owuor, on behalf of the Employer members, expressed satisfaction with the proposals in this major programme. Both its objectives and activities were relevant to the growing needs of Africa. The Employers were particularly impressed by the emphasis placed on tripartite participation in the development process, the promotion of small and medium-sized enterprises, the promotion of structural adjustment with a human face and the involvement of women and youth in community activities. He was disappointed, however, at the apparent decline in resource allocations for Africa. While he welcomed the introduction of multidisciplinary teams, he questioned the appropriateness of the geographical coverage of each team. He felt that regard had to be had to legal systems, languages and social practices, rather than geographical proximity, in order for the teams to be effective.

458. Mr. Tchinde, on behalf of the Worker members, expressed support for major programme 250. He welcomed the measures taken to bring offices and constituents closer together, and the programme's objectives corresponded to the needs of the region. Nevertheless, there was concern over how these objectives would be pursued. Africa's problem was its lack of development, and if development programmes were guided by the concerns expressed in the introduction to the major programme, then development in Africa would take off. However, for that to happen, the ILO, with its knowledge of Africa, and its sensitivity to the needs and problems of African countries, should try to exert its influence over organizations such as the International Monetary Fund and the World Bank, which were deviating from their original objectives.

459. He expressed concern over the geographical distribution of the multidisciplinary teams and the consequences for their effectiveness. The team for central and west Africa, for example, comprised 14 people asked to cover 18 countries, which in turn involved four different languages. The teams should be evaluated regularly, and the Governing Body should monitor their operation. The informal sector naturally warranted the ILO's attention, but it was necessary to choose what action should be taken. One of the ILO's most important roles was the implementation of labour standards, yet it was characteristic of the informal sector that it failed to apply these standards. The informal sector was a palliative, and not a solution to Africa's problems; it was doubtful whether it had ever been a complete solution to economic problems. Perhaps the informal sector was already oversaturated, partly through increased privatization. Although it did not always produce negative effects, it had brought about unemployment and the growth of the informal sector. Training should be given at national rather than regional level, and the programme should focus on how to negotiate with the International Monetary Fund, as this was the only way in which African interests could be defended.

460. There was a contradiction between the many reductions that had been made in major programme 100 (Sectoral activities), and what was written in the introduction to major programme 250. The hotel and tourism industries, for example, were two of the most important in regard to employment, and the reductions foreseen for this programme would be harmful to their development. The ILO should encourage the regions to be more dynamic. Without such dynamism the multidisciplinary teams would have difficulty in resolving the many complex problems with which they would be confronted.

461. The representative of the Government of Nigeria noted with interest that the main objective of this major programme was to ensure that ILO activities in Africa were developed and executed in accordance with the needs and wishes of member States in the region. In addition, given the continuing economic crisis in the region and the efforts of governments in the region to structure their economies in favour of sustainable development, the activities of this major programme in the 1994-95 biennium would aim to promote the activities creating genuine growth, employment generation and poverty alleviation.

462. Efforts would also be made to strengthen the capacities of ministries of labour, such as Nigeria's, and ministries of social affairs so as to play a more effective role in national development planning and in the promotion of employment. In the proposed programme and budget, Africa was allocated $35 million, the Americas $32 million, the Arab States $6 million, Asia and the Pacific $32 million, and Europe $10 million. The ratio was rather low in respect of the African region. In view of Africa's difficulties, the region deserved as much as 50 per cent of the total allocation, which would amount to about $105 million. As the representative of the Government of Denmark had pointed out earlier, funds could be diverted from the operating costs of ILO offices in industrialized countries, which appeared to be redundant.

463. Another issue concerned the large number of member States in the African region. In order to ensure the effectiveness of the multidisciplinary teams in carrying out their objectives, the number of teams needed to be increased from five to six. The five teams proposed by the Director-General appeared to be somewhat imbalanced, in terms of coverage of member States by team. For example, while the Central and West Africa multidisciplinary team would cover 17 countries, the East Africa team would cover ten countries, the North Africa team would cover only two countries, i.e. Egypt and the Sudan, the North-West Africa team would cover 13 countries, and the Southern Africa

team would cover eight countries. To correct this imbalance, the Central and West Africa team should be split into two separate Central Africa and West Africa teams. This would ensure effective coverage in view of the vastness of Central and West Africa. The ILO would also need to ensure that the multidisciplinary teams' activities were effectively in line with those of the regional offices, area offices and ILO headquarters, in order to achieve fully the objectives underlying the concept of multidisciplinary advisory teams. The teams might even be redistributed on a linguistic basis, as suggested by the Employer members.

464. The regular budget resources for the major programme in the biennium would amount to about $32.7 million. Even though the allocation in the 1992-93 biennium was slightly lower, and this was a zero-growth budget, necessary adjustments should have been made and priorities assigned to the various programmes. There was a projected expenditure of some $125 million from extrabudgetary resources for technical cooperation in the biennium. However, extrabudgetary resources were influenced by economic, social and political conditions and the level of resources projected might not be achieved. The ideal solution would have been to make adequate resources available in the regular budget.

465. The representative of the Government of Morocco also felt that the major programme for Africa was an important one to which a large amount of resources was rightly devoted. This allocation of resources was justified by the poverty of the African region which merited the solidarity of the other member States. However, there was ample justification for even further expansion in this programme.

466. The representative of the Government of Tunisia endorsed the position taken by the previous speaker.

467. The representative of the Government of Kenya noted with satisfaction that the main objective of major programme 250 was to ensure that ILO activities in Africa were developed and carried out in accordance with the needs and wishes of member States in the region. These activities would be undertaken through increased funding of the current network of ten ILO offices in Africa, headed by the Regional Office in Abidjan. He also welcomed wholeheartedly the Director-General's assurance that due emphasis would be placed on ensuring that ILO activities in Africa would be determined through a continuing dialogue with the governments and the social partners in line with the active partnership policy.

468. In view of the continuing economic and social crisis in Africa, and the efforts of the governments of the region to reform their economies in favour of sustainable development, the activities under this major programme during the 1994-95 biennium should be designed to promote the objectives of equitable growth, employment generation and poverty alleviation through appropriate development strategies and policies. Particular attention should also be devoted to strengthening the capacity of various ministries of labour and social affairs so as to enable them to play a more effective role in national development planning and in the design of active employment policies. Activities under this major programme should support the democratization process in the African region through the strengthening of tripartism and the promotion of human rights issues generally.

469. The setting up of five multidisciplinary teams for the African region, including particularly the one for southern Africa, whose main work would be to provide technical advisory services to the member States, was a most welcome innovation. It was wise to place the operation of the multidisciplinary team under the direct supervision of the regional directors

at the grass-roots level. Each of these teams would include specialists in such areas as international labour standards, labour legislation, employers' and workers' activities, employment promotion, training, conditions of work and social protection, enterprise and cooperative development and women workers' questions.

470. The activities under this major programme would aim at contributing to the UN system-wide plan of action for Africa as well as giving support to the liberation movements in South Africa until the goals of a democratic government and free and independent multi-racial employers' and workers' organizations were achieved in accordance with the Declaration adopted by the International Labour Conference in 1988. On the whole, it was gratifying that resources under the major programme for Africa had been slightly increased to reinforce the capacity of the Regional Office in Abidjan to coordinate the increasing workload of the regional structure and the activities following the decentralization of greater responsibility from headquarters to the field. There was indeed a need to reinforce these external offices to enable them to cope with the greater financial, administrative and technical responsibilities which were being decentralized in the field structure.

471. The representative of the Government of the Congo shared the concern expressed by the representative of the Government of Cameroon that the importance of the major programme for Africa was not reflected in the ratio of resources allocated to it under the regular budget. Three-quarters of the financing of the programme was in fact allocated through the budget for technical cooperation. This was not normal; the programme needed to depend to a much larger extent on resources that were more directly under the control of the ILO.

472. The representative of the Director-General (Mrs. Chinery-Hesse, Deputy Director-General (Technical Cooperation and Field Programmes Sector) thanked the Committee for its support of the major programme. The Office had taken note of all that was said and would take into account the Committee's views on the multidisciplinary teams, the selection of staff for the teams, and their location. Basically, the teams were being set up in such a way as to make use of the available institutional infrastructure and also to make sure that any area office would not straddle two multidisciplinary teams. At some stage in the future the major programme could be reviewed, but the important thing now was to get it under way as soon as possible.

Major programme 260 - Field programmes in the Americas

473. Miss Mackie voiced the concern of the Employer members with regard to the geographical distribution of the multidisciplinary teams in this region. The number of technical staff in the multidisciplinary team assigned to the southern cone, comprising five countries, was almost twice as high as that of the technical staff in the team assigned to the Andean area, also comprising five countries, and the Central American team. While it was true that the countries of the MERCOSUR were undergoing important processes of restructuring, and of social and economic integration, the same factors applied equally to the Andean and Central American countries. The simple fact that the countries of the MERCOSUR were more developed than the Andean and Central American countries would seem to indicate that the former would require relatively less technical cooperation.

474. Mr. Gray, speaking on behalf of the Worker members, commended the Office for the programme and budget proposals set out under major programme 260, and expressed support for the general direction of the programme with regard to alleviation of poverty and support for the

democratization process. Priority objectives of the major programme were the improvement of productivity in the urban informal sector and the extension of social protection to hitherto unprotected groups. The ultimate objective of ILO action was to integrate the informal sector progressively into the formal economy and extend social protection and international labour standards to it. Not only governments but also the social partners should benefit from the deployment of the multidisciplinary teams in the region. As the Western hemisphere moved hesitantly towards the creation of a hemispheric trading bloc, the programme's aim to assist in the movement towards economic integration was a welcome and courageous step. The principle of tripartism was rightly included as an integral part of all the activities cited. The points contained in paragraphs 260.27 and 260.30-260.34 should serve to alleviate the wide divergence of employment and the relatively enormous wage differentials in the region. A primary focus, and an area in which the ILO could bring some pressure, was the encouragement of reductions in military expenditure in the area. Some countries spent up to 22 per cent of their gross national product on arms and military equipment. This was often twice, three and even four times the amount of GNP spent on education and health services combined. Such expenditures could not be justified by the threat of external aggression, nor on the basis of national pride. The ILO could play a significant role by convincing governments to divert such funds towards providing a comprehensive social safety net for its most important national asset - the working men and women who formed the backbone of every country in the region.

475. The representative of the Government of Venezuela supported the proposals for major programme 260, which included an increase of $973,000 in constant dollars as compared with the previous budget. The programme would be augmented by the four multidisciplinary teams and there would be a strengthening of tripartism, equality of participation and the formulation of rural development programmes, inter alia. The ILO offices in the region would be strengthened by much more decentralized administration of technical cooperation. In spite of this increase in the available resources, the Americas region had once again received less than the increases granted to all the other regional major programmes, despite the efforts made by the region, essentially by the Latin American and Caribbean countries, in the field of structural adjustment, liberalization of markets, and privatization, which had affected the employment situation and the workers. The same development was taking place in central and eastern Europe, where it had led to East-West détente, but the social and economic impact was also very serious in Latin America, which should also be given priority. In accepting these programme and budget proposals, he looked forward to the Latin American region receiving its just appropriation in 1996-97.

476. The representative of the Government of Uruguay agreed with the hopes and wishes expressed by the representative of the Government of Venezuela. A process of integration (MERCOSUR) was taking place, which would in due course result in the integration of Argentina, Brazil, Paraguay and Uruguay and would affect the activities of the ILO. Together with Chile, which had asked to participate as an observer, these five countries would form a subregion that should receive special treatment by the ILO. Uruguay had a long tradition of adhering to ILO principles, and had generally had a good experience with regional institutions located in the country, including CINTERFOR, whose achievements in the field of vocational training were well known. With the support of the ILO and the Government of Spain, a project was being undertaken, termed RELASUR, to examine law and practice so as to improve industrial relations and social security systems for the MERCOSUR countries. This kind of project highlighted the importance of the ILO's presence in countries like Uruguay. Montevideo was the capital for integration in the framework of MERCOSUR, and it was from there that social and labour policies

were being coordinated for the integration of the countries concerned. Although these countries found themselves in a roughly similar economic and social situation, there were nevertheless issues such as harmonization of labour standards and differences in systems of social security. Other challenges related to labour relations and the social impact of integration. Hopefully, the subregion would be able to count on the active participation of the multidisciplinary team that was to be located provisionally in Santiago de Chile. Other types of experience of horizontal cooperation between the different governments of the region, and past experience of cooperation on the political and technical level with the ILO, showed how important it was not only that the teams include people with different specializations, but also technicians and experts from the countries concerned in roughly equitable proportions.

477. The representative of the Government of Brazil expressed support for major programme 260 and looked forward to the multidisciplinary teams' constant cooperation with the countries of the region, particularly in Brazil where several relevant programmes were already being developed and many more would follow. The provisional location of the Americas Southern Cone team in Chile was acceptable, but its final location should be agreed upon among the five countries of the region and the ILO.

478. The representative of the Government of Argentina also globally supported programme 260, although the increases for the biennium should have been higher. He understood the needs of other regions and agreed with the objectives for 1994-95, particularly the ones referring to the consolidation of democracy and the further consolidation of tripartism and tripartite machinery. The creation of four multidisciplinary teams for the region was commendable. One of their roles would be to adjust national labour legislations and bring them into line with the ILO standards, particularly with regard to equal opportunities for men and women and the elimination of child labour. They should also deal with social security, the full participation of women, technical cooperation within the context of structural adjustment programmes. The liaison team with MERCOSUR was particularly important.

479. The representative of the Director-General (Mr. Capriata d'Auro, Assistant Director-General responsible for ILO activities in Latin America and the Caribbean) thanked the Committee and took note of all their comments, in particular the observation made by the representative of the Government of Brazil. The Americas region was the only one which had been submitted to the new system of consultation on technical cooperation which took place at the Thirteenth Conference of American States Members of the ILO (Caracas, September-October 1992). The present location of the multidisciplinary teams corresponded to the previous existence of an infrastructure in those countries. In any case these locations were provisional, and any future decisions would be made in consultation with the countries concerned.

Major programme 265 - Field programmes in Arab States

480. Miss Mackie confirmed the support of the Employer members for major programme 265, and their confidence that it would be successfully implemented.

481. Mrs. Carr said that the biggest concern for the Worker members was the lack of application of ILO standards in the Arab States in many areas. For example, in several Arab States trade unions were prohibited by law and therefore freedom of association did not exist. The ILO had done excellent work in the region, but there was still plenty of scope for expanding its activities.

482. The representative of the Government of the United Arab Emirates fully supported major programme 265 and hoped that it would be carried out effectively. The programme was vital for the Arab countries in the Near East and very important for the three social partners. As far as programme 265.2 (Regional technical programmes and operations in Kuwait) was concerned, he questioned the reference in the title to "Operations in Kuwait". The text in fact stated that one expert from the multidisciplinary team would be located in Kuwait. To clear up any ambiguity these operations should be described as a separate unit as they were not related to the rest of the programme. He had earlier stressed the need for the Arab States multidisciplinary advisory team to be present in the region, and for the Regional Office for Arab States to be transferred from its temporary location in Geneva to its permanent location in Beirut. The circumstances which had led to the transfer of that office from Beirut would very soon no longer apply. He concluded by expressing particular appreciation for the work of the Regional Office for Arab States under the leadership of Mr. Shukri Dajani, Assistant Director-General.

483. Mr. El-Telawi, speaking on behalf of the Arab Labour Organization, commended the Office on the contents of major programme 265 and hoped that it would be fully implemented now that the impediments that had affected previous programmes had all but disappeared. The statements of the representative of the Government of the United Arab Emirates, both in the general discussion of the programme and budget proposals and in the present discussion, truly reflected the interests and the requirements of the social partners in the Arab regions. The social partners had called for, among other things, a rapid return of the regional office to its original location in Beirut, but this did not mean that the activities of the Arab States multidisciplinary advisory team should be linked with this request.

484. Such a linkage would be irrational; no serious activities could be undertaken by any team, whatever its efficiency and capacity, unless it was represented in the field. The transfer to the field of those directly responsible for the region would be a true reflection of the importance which the ILO attached to its work in the region. Any Arab country would welcome the presence of this team, either temporarily or permanently; the existence of such a team in Geneva would be counter-productive. It was disappointing to find that the programme and budget proposals seemed to indicate that the regional office might remain in Geneva even after 1994, despite repeated calls for its prompt return to Beirut. Some of the main industrialized countries had earlier defended the retention of the regional and area offices of the Organization on their territories, and their reasoning applied equally, and perhaps even more strongly, to the return of the Arab regional office to its original location.

485. The proposed geographical distribution of the multidisciplinary teams assigned to work in the Arab countries was on the basis of four multidisciplinary teams: three in Africa and one in Western Asia. If early evaluations showed their work to be effective the Arab Labour Organization would call for coordination at the highest level possible amongst these four teams so that their activities would not lead to a duplication of work or undermine the integration of roles sought by the Arab Labour Organization. Care should also be taken to ensure that the work of the teams did not overlap or conflict with the activities of the Arab Labour Organization in its efforts to coordinate and harmonize legislation and practice in the Arab region.

486. The representative of the Government of Morocco supported the proposals for this major programme and shared the comments of the representative of the Government of the United Arab Emirates.

487. The representative of the Government of Tunisia welcomed the proposals for this major programme and hoped that it would be reinforced in order to help member States in the region to promote more effectively ILO activities in all areas.

488. The representative of the Director-General (Mr. Dajani, Assistant Director-General responsible for ILO Activities in the Arab States) thanked speakers for their support, and assured them that all their remarks would be taken into account. At the Director-General's request, he had visited Lebanon less than a month ago to discuss the question of relocating the activities of the Regional Office for Arab States. He had already presented his report to the Director-General and the matter was at present being discussed.

Major programme 270 - Field programmes in Asia and the Pacific

489. Mr. Tabani, on behalf of the Employers, pointed out that this major programme had been drawn up taking account of the conclusions and guidelines of the Eleventh Asian Regional Conference held in Bangkok in 1991, and the Employers were pleased to endorse the four objectives outlined in paragraph 270.1 and in the major programme as a whole. Referring to paragraph 270.3 concerning technical cooperation, he hoped that the pilot projects would be taken up and the results made available as soon as possible. He expressed appreciation for the work of the ILO in the rehabilitation and training of Afghan refugees over recent years. It was regrettable that the budget for the Asian region seemed inadequate for its size. Three multidisciplinary teams might not be sufficient, and he asked the Director-General to keep the activities of the teams under review.

490. Mr. Gopal, on behalf of the Worker members, thought that more attention should be given to allocating regional budgets on the basis of size of population. On this basis Asia was underfunded, for it had more than half the world's population but less than 30 per cent of the resources for field programmes. A first step would be to add one more multidisciplinary team for South Asia. For the teams to be effective they should work actively with trade unions, and particularly with regional trade union bodies in South Asia.

491. The Asian region had a mixture of developed, developing and least developed countries. Priorities should be discussed with the social partners in the region. Unfortunately, a number of countries of the region had yet to ratify ILO standards on freedom of association, the right to collective bargaining, protection of workers' rights, women workers, child labour and occupational safety and health, particularly in the chemical industries.

492. Poverty was widespread throughout South Asia, but 50 per cent of those living in villages would be capable of generating income if they were given proper assistance. The poverty eradication programme should therefore be aimed not only at the informal sector of the urban poor, but also at the rural poor, among whom poverty was concentrated.

493. Trade union organizations should be consulted on all processes of structural change. In the process of reform in developing countries promoted by the World Bank and the IMF, jobs in both the private and the public sector were unfortunately slowly disappearing, and there was no social safety net. The ILO should look more closely at ways and means of easing the burden for people affected by structural adjustment.

494. The Worker members welcomed the programmes on social welfare and workers' protection, especially those concerned with workers' education. He was personally pleased that the Indian Government had contributed to the cost

of the new ILO Office in New Delhi, and he also expressed appreciation for the ILO's programme of activities in the Asian and Pacific region.

495. The representative of the Government of Bangladesh pointed out that almost three-fifths of the world's population lived in countries in the Asia and Pacific region, most of which suffered from chronic unemployment or underemployment. Poverty was pervasive throughout the region, and although literacy rates were low there was much expertise available in the region, and the Office should look closely at recruiting locally for the multidisciplinary teams. Three multidisciplinary teams for nine offices in the region would have an enormous task, and their activities should be carefully monitored. The ILO should also examine carefully the possibilities for assisting the development of small-scale industries so as to expand employment opportunities, especially in the urban informal and rural sectors. Assistance to employers' and workers' organizations should also be increased.

496. The representative of the Government of China considered that major programme 270 on the whole gave reasonable coverage of the Asia and Pacific region, which suffered more than others from appalling poverty. Employment promotion and poverty alleviation should hence be a top priority if there was to be any progress in other fields. One matter not covered in the proposals was the question of how to carry out the exchange of information and technical cooperation beween member States. The ILO should look at ways and means of assisting with this work, which would promote prosperity and development throughout the region.

497. The representative of the Government of India supported the programme and budget proposals, but asked for a greater proportion of funds to be allocated to this region.

498. Mr. Tsujino, an Employer member, observed that the allocation for this major programme was 28 per cent of the total for field programmes and 7 per cent of the total budget for 1994-95. This represented a small increase compared with 1992-93, a welcome development. He also expressed appreciation for the work of the Regional Office for Asia and the Pacific in Bangkok.

499. The representative of the Government of Australia expressed support for this major programme and noted a real increase in funds of about 4.3 per cent compared with the 1992-93 biennium. The three multidisciplinary teams for the region were composed differently, with 18, 12 and five professional staff, and it would be interesting to evaluate their work in due course to see which approach was the most successful.

500. The representative of the Government of Denmark said that, in view of the overwhelming need for assistance in Asia and the Pacific, his delegation strongly doubted the wisdom of spending 10 per cent of the total budget for the region on an office in one of the richest countries in the world.

501. The representative of the Director-General (Mr. Nakamura, Assistant Director-General responsible for ILO activities in Asia and the Pacific) expressed his appreciation for the comments made. The reasons why there were only three multidisciplinary teams were that almost all technical staff for the region were based in Bangkok; the Asian region had only one general working language; and Bangkok had the best air transport links.

Major programme 280 - Field programmes in Europe

502. Mr. Oechslin, speaking on behalf of the Employer members, supported the proposals and drew the Director-General's attention to the press release by the chief of the Budapest multidisciplinary team, where some of the wording seemed unusual and inconsistent with the policy recommended by the Committee on Employment of the Governing Body.

503. Mrs. Engelen-Kefer, speaking on behalf of the Worker members, supported the fact that the centre of attention had moved to central and eastern Europe and that a multidisciplinary team had been established there. It was highly appropriate for the ILO to carry out as many activities as possible during the difficult time of transition of the countries of eastern and central Europe. Of the 14 member States that had joined the ILO in the last two years, 11 had come from this subregion. The increase in funds was therefore entirely justified.

504. Referring to paragraph 280.5 on cooperation between the ILO and other international organizations, she observed that, at the ILO symposium on tripartism, held in April 1992, representatives of employers, workers and governments had unanimously proposed that the ILO should be invited to the meetings of the Group of 24 at the highest level. The coordination of measures directed at central and eastern Europe were very important.

505. The representative of the Government of the United Kingdom praised the work carried out by the ILO in central and eastern Europe and was pleased to note that the programme for this area had been allocated the necessary resources. The central and eastern European region was the first to have a multidisciplinary team, and it was hoped that lessons would be learned which could be used in other regions, although it was important to remember that experience in one region was not always transferrable to others.

506. It would be interesting to carry out an evaluation of the Budapest team in terms of the effectiveness of links between the team and headquarters, between the team and the countries it covered, and between the team and other multilateral and bilateral donors in the field. Such an evaluation would provide the ILO with valuable information regarding its effectiveness in the region. Consideration should also be given to finding an alternative and less cumbersome name for the multidisciplinary teams.

507. The representative of the Government of Belarus supported major programme 280. He particularly welcomed the initiative regarding the establishment of a multidisciplinary team for the countries of central and eastern Europe, and hoped that such a team would provide useful and tangible assistance to the States concerned.

508. In early 1992, Belarus became, for a transitional period, a recipient of technical assistance, and a UN/UNDP office had subsequently been opened in Minsk. Representatives of UNICEF and UNEP, together with other international organizations, had already begun to install representatives in Minsk, and the ILO was invited to join those organizations by appointing a national correspondent, as it was felt to be an excellent opportunity to expand cooperation between Belarus and the ILO. A positive reply to this request was particularly important, since the Republic of Belarus was no longer represented on the ILO's staff and membership in the Governing Body was to expire in June 1993.

509. The representative of the Government of the Russian Federation supported major programme 280, and stated that the programme should provide, as a priority, for the elaboration of policy on active partnership and country

programmes on the basis of national priorities. The work of the multidisciplinary team should be carried out within the framework of such programmes and in consultation with national governments and employers' and workers' organizations.

510. With regard to the Moscow Office, the Director-General's comments on that subject were fully supported, and it was hoped that they would be suitably reflected in the next version of the programme and budget. It was also advisable to redistribute the resources proposed for sectoral activities in favour of major programme 280 as well as other field programmes.

511. The representative of the Government of Germany expressed his support for the programme and particularly supported the statement made by Mrs. Engelen-Kefer, a Worker member, that the ILO should participate in the work of the so-called Group of 24 at the highest level.

512. The representative of the Government of Denmark supported the increase in resources for major programme 280. He looked forward to a shift of resources from the network of offices to other activities. Despite the major role played by Scandinavian countries in funding technical cooperation activities, he could not agree with the Director-General regarding the desirability of opening an ILO Office in Scandinavia.

513. The representative of the Director-General (Mr. de Vries Reilingh, Director of the Regional Office for Europe) expressed his appreciation for the support given to major programme 280 and to the shift in resources from western towards eastern Europe. With regard to the multidisciplinary team in Budapest, he assured Mr. Oechslin that it would follow ILO policies. In response to the point raised by the representative of the Government of Belarus, he recalled that the Moscow Office covered the Russian Federation, Ukraine and Belarus. However, if the Government of Belarus so wished, the ILO would be prepared to discuss the possibility of appointing a national correspondent.

514. With regard to ILO representation in the so-called Group of 24, although the senior-level meetings attended so far had proved very useful, the ILO was pursuing its efforts to gain representation at the high-level meetings in view of the importance of the social dimension in the whole transition process in central and eastern Europe. The problem with the term "multidisciplinary" was recognized, and alternative names had already been considered.

515. The Director-General stated that he would soon meet the new Commissioner of the European Communities and would again raise the inclusion of the ILO in Group of 24 Ministerial Meetings.

Major programme 290 - Other budgetary provisions

516. There were no comments on this major programme.

Major programme 295 - Unforeseen expenditure

517. There were no comments on this major programme.

Major programme 296 - Working Capital Fund

518. There were no comments on this major programme.

Other matters

519. Miss Mackie, speaking on behalf of the Employer members, recalled a request made by her predecessor, Mr. von Holten, for details of technical cooperation support-cost income and expenditure to be made available to the Governing Body on a programme-by-programme basis. The request remained relevant and was therefore being repeated.

Reply by the Director-General to the discussion of the programme and budget proposals

520. At this point the Committee adjourned to enable the Director-General to reconsider his programme and budget proposals in the light of the various views expressed by its members. When it resumed its work, the Director-General made a statement on the adjustments to the original proposals which he had found it possible to suggest. This statement is reproduced in Appendix II. Tables showing the adjustments to the initial proposals, the provisional programme level resulting from the adjustments proposed by the Director-General and the proposed expenditure budget for 1994-95 by major programme are appended as Appendices III(A), III(B) and IV, respectively.

Further discussion

521. The Committee had before it a document[1] containing the Director-General's suggested adjustments to the 1994-95 programme and budget proposals, which were considered together with the Director-General's oral statement to the Committee.

522. Miss Mackie recalled that in the general discussion the Employers had made clear their dissatisfaction with the procedure for the budget discussion as well as the underlying structure that it reflected. While they appreciated the proposed changes concerning details on which they felt particularly strongly, those changes were only surface movements which did not really address matters of greatest importance. While they acknowledged that the structure and process could not be changed overnight, the importance they attached to those aspects could likewise not be diminished in the same period. Even within the changes which were now proposed, employment promotion had not been given the prominence it deserved. It was the overriding priority for the ILO as well as for governments, employers and workers, not merely as a budgetary allocation but also as a basic philosophy underpinning all ILO activities.

523. Much had been achieved in the years when standard setting had been given top priority but it should not be thought that the ILO existed first, last, and forever as a standard-setting body. Of course, those achievements must be built upon, by reviewing and retaining what was still valid, but doing it in the service of employment creation.

524. The Director-General's response to the Employers' clearly and strongly expressed request that work continue with regard to the hotel and tourism sector, a request which had also been supported by other members of the Committee, was inadequate. That sector was an important generator of employment in many developing countries around the world.

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[1] GB.255/PFA/3/17.

525. Within its mandate the ILO should also maintain activities connected with environmental protection to complement those carried out by a number of other organizations. With regard to what seemed to be a rather confused situation concerning the post of chief interpreter, it appeared that the post would be maintained for the biennium 1994-95, but it would be useful to have more clarification regarding this matter.

526. Reverting to the larger issues, Miss Mackie observed that the programme and budget debate had followed the same procedure for many years now. Precedent should nevertheless not be a barrier to change, particularly when a process was becoming increasingly inefficient, unacceptable and painful. The preliminary consultation was a welcome innovation but the Committee had only now become fully aware of the use to be made of it. It had evident value in providing the Office with guidance for the preparation of programme and budget proposals, but it was not sufficient to permit the Committee to arrive at decisions on the issues discussed, since their relative importance only became clear in the context of the actual proposals.

527. The Employers were still dissatisfied with the structure and layout of the budget document and the way in which it was discussed. The whole process was in urgent need of reform, and this matter was much more important than the programme adjustments they had called for during the course of debate.

528. The Employers expressed their intention to abstain in the eventual vote on the budget. Abstention was sometimes interpreted as either uncertainty or lack of interest, but in this case it was intended to indicate very clearly that the Employers were convinced of the need for change and wanted to play their part. They would abstain simply because their views were incompatible with either an outright rejection or an outright acceptance of the budget.

529. Mr. Vanni, speaking on behalf of the Workers, asked whether it was still possible to make adjustments to the revised proposals put forward by the Director-General. Some of the new proposals were very welcome, but the problems of equality between men and women, the environment, chemical products and pesticides, and rural workers had been somewhat neglected. The subprogramme on Multinational enterprises was one of the most important for achieving a balance between the promotion of employment and the rights of workers. Cutting resources for this activity was a political choice which the Workers could not accept. It should at least be maintained at its present level, even if this meant reducing other activities. He agreed with the Director-General's statement that there was a problem of balance between sectoral and regional activities that should be dealt with as a matter of policy so that both activities complemented each other not only in the field but also at headquarters. The Office should provide additional resources for the industrial committees, particularly in the construction and transport sectors. The Workers regarded this as a most important activity and, if insufficient resources were available for it to be carried out effectively, they would be reluctant to support the proposals as a whole.

530. The representative of the Government of the United Kingdom welcomed the Director-General's proposed adjustments for the programme and budget which, although not satisfactory to everyone, were a well-balanced response to the concerns expressed by members of the Committee. It was not possible within a budget of zero real growth to allocate additional resources to new priorities without removing them from others, a consideration that the Committee could not overlook. It was gratifying to see extra resources for employment and enterprise activities, for combating child labour, and for a second internship course at the Institute. The savings proposed for computer

and building maintenance were particularly welcome. All these proposals had been strongly supported.

531. The Director-General had provided some useful clarifications on international labour standards, and it would be interesting to see the paper on changes in administrative procedures at the November 1993 Session of the Governing Body. The Government members of the Committee attached great importance to a second phase, at which wider policy issues would be debated. Although it was for the Governing Body to decide policy, the Office could give valuable assistance in the early stages by putting forward suggestions and exploring possibilities. The review and evaluation of the sectoral activities major programme should take place as soon as possible. Even if a paper could be submitted to the Governing Body in February-March 1994, it might be helpful if beforehand the Office could consult formally or informally some of the member States as many had constructive suggestions to make. It was disappointing to see proposals for substantial cuts in the interdepartmental projects and the Programme Flexibility Reserve. These were innovations that were very strongly supported by the Government of the United Kingdom. Relations with non-governmental organizations under programme 220.4 should be examined in greater detail in future because it was not clear whether this expenditure was justified.

532. Committee members had expressed a certain amount of dissatisfaction with parts of the programme and budget process, but as some of these matters would be dealt with in the Working Party on Improvements in the Functioning of the Governing Body it was not a subject for extended debate. The Employers had rightly pointed out that the adjustments in the Director-General's reply were relatively small, for two reasons: firstly, there was a broad measure of support for most of the proposals in the general debate and in the detailed programme-by-programme debate; secondly, under the current process changes were usually small anyway when compared to the total budget. The Governing Body would look forward with interest to specific suggestions from the Employers, and others, on how the existing process could be improved. Certainly the Committee should always be ready to consider change but it was a little difficult to understand the position of the Employers with regard to this matter. She strongly disagreed with the position of the Workers' group regarding the Multinational enterprises subprogramme. Although there might be some justification for the addition of a post concentrating particularly on the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the lack of interest in some of the work in this area was reflected by very poor attendance at most meetings of the Committee on Multinational Enterprises. Unless the ILO could demonstrate that this work was of more interest and relevance to member States there was no reason to restore the cuts made to the subprogramme.

533. The representative of the Government of Germany expressed appreciation for the work carried out by the Director-General and Office staff in the preparation of the programme and budget proposals as well as the proposed adjustments. Increased allocations for training, sectoral activities (including evaluation) and child labour and the reduction in the Programme Flexibility Reserve were all welcome. The point raised by the Workers regarding multinational enterprises was understandable although it did not warrant the possible rejection of the programme and budget proposals as a whole. The extension of the chief interpreter's post from the present to the next biennium needed to be resolved and he expressed support for it to be continued.

534. The representative of the Government of Denmark stated that the relatively minor adjustments proposed by the Director-General accurately reflected the views expressed during the discussion on the proposals. It was

unfortunate that the Employers' call for changes in general procedures were unclear and did not provide concrete alternative proposals. The procedure for preliminary consultation, discussion and approval of the proposed programme and budget seemed to work quite well and the proposed adjustments under discussion were well-balanced and did not alter the overall requirement of zero real growth. He welcomed the effects of the changed arrangements for home leave, education grant and family visit travel.

535. It was unfortunate, however, that savings had been proposed at the expense of valid programmes such as major programme 140 (Interdepartmental projects), which suffered a cut equivalent to one-third of total reductions. On the other hand, increases in resources for the Employment and development major programme as well as the Sectoral activities major programme were welcome although the latter programme could possibly be a source of savings in the future. The transfer of resources from the Tokyo Office to field programmes in Asia and the Pacific was a move in the right direction, and he also supported the point raised by the Workers regarding multinational enterprises.

536. Mr. Brett (Worker member), supporting the Workers' position on the Multinational enterprises subprogramme, said that multinational enterprises provided employment for 65 million people and operated in all five continents. Many governments had difficulties in controlling, or dealing with, large MNEs which in some cases had resources exceeding those of the governments concerned. Such enterprises were involved in every aspect of work, including equality of rights, child labour, environmental protection, labour standards and structural adjustment.

537. The reductions proposed downgraded the multinational enterprises programme and signalled possible further downgrading in future. This was surely not in keeping with the increasing role of MNEs and the Workers would want to see this programme restored before they could give their support to the programme and budget proposals. They also called for assurance that equality issues would continue to be pursued by the ILO.

538. Mr. Tapiola (Worker member), referring to the Employers' proposed abstention on the budget, pointed out that the resolution adopted by consensus at the June 1992 Conference signified agreement on the promotion of, among other things, small and medium-size enterprise development for the specific purpose of job creation and that the framework for such activities was constructive industrial relations based on standards. This approach was also valid for activities on multinational enterprises given that the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy also covered domestic enterprises and contained general principles based on international labour standards. The promotion of the Tripartite Declaration would therefore also promote full, productive and freely chosen employment. The multinational enterprises programme had general support and in view of its importance it should be allocated the necessary resources.

539. The representative of the Government of Tunisia welcomed the additional resources allocated to major programme 220 (Relations and meetings) but pointed out that the situation regarding the post of chief interpreter required clarification as to the continuity of the post from the 1992-93 to the 1994-95 biennium. This point had also been raised by the representative of the Government of Germany.

540. The representative of the Government of Argentina expressed appreciation for the work done by the Director-General in preparing the adjustments under discussion. It was unfortunate to see reductions arising

from the postponement of the meeting of experts on personnel policies to promote equality of opportunity and treatment in employment, and reduced external collaboration for the three inderdepartmental projects. On the other hand, increased resources allocated to child labour and training on tripartite participation in the development and management of social security systems were particularly welcome.

541. The representative of the Government of Nigeria, giving his support to the programme and budget proposals, found it reassuring that savings had permitted to reduce the total budget in nominal terms. He was, none the less, disturbed by the very high level of personnel costs. Recently wage cuts had been imposed upon Nigerian civil servants as part of their country's structural adjustment programme, and he suggested that the Organization could accommodate additional programmes if the same principles were applied by its senior officials. It was disappointing that technical cooperation had not been given the prominence it deserved, and the funds allocated to RBTC in particular were woefully inadequate. These activities were immensely important to the developing countries and, despite a zero-growth budget, this programme should have been treated more generously. In regard to major programme 80.2 (Labour law and labour relations) he asked for clarification on whether the extra resources allocated were solely for personnel costs.

542. The representative of the Government of the Russian Federation observed that the adjustments to the programme and budget proposals called for an increase in staff expenditure of 114 work-months, while non-staff expenditure had been reduced by $1 million. Although this appeared to be contradictory, in the light of the specific measures proposed he was prepared to accept the proposals as adjusted. However, in his original proposals the Director-General had argued, and the Government of the Russian Federation agreed, that it was necessary to assign adequate resources to the Programme Flexibility Reserve. Many member States not represented in this Committee also shared this opinion and, in view of the widespread support for this major programme, the original allocation should be restored.

543. The representative of the Government of India, while supporting the adjustments to the programme and budget proposals, regretted that some of the changes had been too modest. He was pleased that increased allocations had been made to technical advisory services and to activities related to structural adjustment and employment in developing countries, but it was a pity that increased expenditure on RBTC in major programme 270 (Field programmes in Asia) was merely the result of a reallocation of funds within the programme.

544. The representative of the Government of Bangladesh endorsed the adjustments made to the programme and budget proposals, and welcomed the increase in funds allocated to major programmes 60 (Employment and development), 110 (Social security), 130 (International Institute for Labour Studies) and programme 270.2 (Regional technical programmes). The least developed countries, which were especially vulnerable when promoting democracy and fighting poverty, should be given priority in the activities of these programmes. He hoped that the ILO would use its good offices to obtain expeditious payment of compensation to migrant workers affected by the Gulf war. He also called upon the International Institute for Labour Studies to maintain the number of fellowships it awarded, despite the shortening of its internship course.

545. The representative of the Government of the United States supported the adjustments proposed to the programme and budget and welcomed in particular the reduction of the nominal level of the total budget, the elimination of the increase in the Programme Flexibility Reserve, and the

restoration of a post on multinational enterprises in programme 80.2 (Labour law and labour relations). He joined the Workers in calling for further restoration of ILO work on multinational enterprises, but without making support for the budget conditional on this. Commenting on the criticisms made by the Employer members of the programme and budget documents and the procedure for dealing with them, he was pleased with the improvements made so far. The documents were more readable than in the past, although the process itself could still be improved, perhaps by introducing an intermediate step between preliminary and final discussions.

546. The representative of the Government of Australia gave his general support to the adjustments made to the programme and budget proposals, noting his especial satisfaction with the increased allocations made to major programmes 110 (Social security) and 130 (International Institute for Labour Studies). Two budget items, however, still gave rise to particular concern. Firstly, the subprogramme on Multinational enterprises, which was already operating at a modest level, needed more support if it was to be effective. Secondly, the cuts made to major programme 140 (Interdepartmental projects) were disappointing and disproportionate, and it was not at all certain that adequate funds had been allocated to the activities of the special adviser on women workers' issues.

547. Finding extra funds for further adjustments was problematic but three possible solutions could be considered. Firstly, to maintain the budget at its original nominal level of $447,014,000; secondly, to achieve more savings in the budgets for ILO offices in the industrialized countries; or thirdly, to make further cuts to major programme 170 (Financial and central administrative services), which had suffered proportionately less than other major programmes.

548. While it was to be expected that some of the more fundamental issues which had been raised would not be addressed in the adjustments, these issues should be considered in the near future. They included the greater emphasis to be placed on employment policy, the supervision of international labour standards and the standard-setting process in general, the budgetary process itself, and the need to review management and administrative support in the Office.

549. The representative of the Government of China believed that more resources should have been allocated to programmes dealing with poverty alleviation, the promotion of employment, the informal sector and social security, as these were the problems faced by the developing countries and countries undergoing economic and social transition. In particular more funds should have been allocated to major programme 140 (Interdepartmental projects).

550. The representative of the Government of Canada considered that the proposed 1994-95 programme and budget adjustments constituted a well-balanced compromise, especially within the constraints imposed by a zero real growth budget, and the Programme and Budget for 1994-95 could be accepted as amended. The increase in resources for the review and evaluation of the sectoral activities major programme was very welcome. The review should focus on the programme's relevance to the objectives and priorities of the Organization as a whole. She was confident that this review would involve broad-based consultations.

551. The reductions in the Interdepartmental projects and the decision to postpone the meeting of experts on personnel policies to promote equality of opportunity and treatment in employment were regrettable, but such reductions were necessary if an increase in expenditure in other programmes was to be contained within the current overall provisional level of expenditure for

1994-95. On the other hand she welcomed the increased RBTC expenditure for major programme 270 (Field programmes in Asia and the Pacific), and endorsed the allocation of additional resources to major programme 110 (Social security).

552. Commenting on earlier remarks by the Employer members, she agreed with the representative of the Government of the United Kingdom that it would be more constructive if the Committee focused on measures to improve the budgetary discussions for future Governing Body sessions rather than attempt to initiate changes now, and she would support future discussions on this issue.

553. The comments of Mr. Brett on the growing prominence of multinational enterprises in today's global economy were certainly true, but it was not altogether clear that the reorganization of this subprogramme had effectively lessened the importance of the Multinational Enterprises Branch within the Industrial Relations and Labour Administration Department. A solution should be sought to reassure the Workers without making cuts in other programmes.

554. The representative of the Government of Mexico endorsed earlier speakers' remarks supporting the adjusted programme and budget proposals, especially major programme 110 (Social security), which was particularly important to his country. Further budget reductions might be required as a result of the late or non-payment of contributions and he urged Government representatives to make every effort to ensure that contributions were paid on time and in full.

555. The representative of the Government of the Philippines acknowledged that in a tripartite organization the task of allocating limited resources and achieving consensus on a comprehensive programme and budget was difficult, especially within the constraints of zero real growth. However, the proposed adjustments were sensible and represented a well-balanced response by the Office. He entirely supported the proposals as amended.

556. The Director-General explained that the adjustments had been prepared in the belief that they would probably not be sufficient to satisfy all the concerns expressed by the Committee, in particular the views of the Employer members, and it was therefore not surprising that some reservations still remained.

557. The Office was ready to contribute to the discussion on measures to improve the general functioning of the Governing Body, in particular methods aimed at improving the procedures for presenting future programme and budget proposals. Possible changes could not logically be considered at the present session, but he supported the views expressed by the representative of the Government of the United States that future discussion should focus on improving the presentation of Office documents, specifying more precisely the various Office programmes and projects and improving the process of programme and budget consultation.

558. The changes to the proposals had been kept deliberately limited and precise in order to maintain the core elements and objectives of the original proposals. The Office was constrained by a zero real growth budget, which had meant examining all possible options in detail in order to generate sufficient cost savings to allow the current proposals to be presented. If it had been possible to find additional savings within the Office, for example in major programme 170 (Financial and central administrative services), as had been suggested by earlier speakers, these would already have been implemented. He reiterated the comments made by the representative of the Government of Canada

that maintaining a zero growth budget necessarily meant that an increase in resources in one area resulted in a decrease in another.

559. Responding to the concerns expressed by representatives of the governments of developing countries, he confirmed that the transfer of resources from headquarters to the field programmes was a central objective for the Office and a positive and necessary response to recent political, economic and social changes worldwide. However, this policy also resulted in a transfer of responsibilities from the specialized agencies of the United Nations system to the countries concerned, a transfer which gave to the developing countries the power of decision regarding the level of cooperation they would have with the specialized agencies such as the ILO. The Programme and Budget for 1994-95 sought to strengthen the concept of active partnership by improving the cooperation with member States and enhancing the Organization's credibility and expertise.

560. Much of the discussion on the adjustments had focused on the detrimental effects of the cuts in the Interdepartmental projects major programme and the Programme Flexibility Reserve. The essential activities of this major programme had in fact been maintained: savings had been generated primarily from a reduction in external collaboration and travel costs. It was clear, however, that any structural modification involving core elements of the Organization's mandate should be approached cautiously and with prior consultation.

561. The remarks on the post of Chief Interpreter clearly indicated that the present situation should not be changed, which meant that resources would need to be found to restore the post. The minor changes in the ILO policy of equality should not be taken to mean that the Office placed progressively less importance on this issue, as had been intimated by the Worker members. Equality between men and women, among other equality issues, would certainly remain a central and vital component of the ILO's programmes.

562. The three major structural proposals concerning multinational enterprises, sectoral activities and hotels and tourism remained at the centre of discussions. The changes proposed for these activities did not detract from the importance of the projects associated with these programmes: it was an evident fact that the role of multinational enterprises was growing in importance in the current changing global economic environment, and for this reason the level of resources allocated to this programme had been almost fully restored. He assured the Committee that the Office staff working specifically on multinational activities would be kept grouped in a separate section under the continued title of multinational enterprises. The fact that this unit would be integrated within a larger branch was intended to facilitate staffing arrangements when the pressures of activities within the subprogramme increased, as was the case when the Office was asked to prepare the summaries and analyse the replies for the triennial survey on effect given to the Tripartite Declaration of Principles.

563. In response to the Workers' concerns about sectoral activities, the Director-General stated that the adjustment made added the equivalent of 2/00 Professional work-years to paragraph 100.9 of major programme 100 (Sectoral activities) for a sectoral specialist post. This restored 1994-95 resources at the same level as in the previous biennium. There should therefore be no difficulty in the internal structure of the department to cover activities relating to the transport and construction sectors. However, sectoral resources could not be increased without an evaluation of these activities as proposed in paragraph 200.7 under major programme 200 (Programming and management). The remarks that had been made during the earlier discussion would be included in this evaluation and, based on its

outcome in February-March 1994, modifications or increases in resources might be considered.

564. The third issue which the Director-General had addressed concerned the Employers' comments about the changes made in activities for the hotel and tourism sector. Although its resources had been reduced, this Branch had not been eliminated and was still supported by programme 100.5 (Hotels and tourism), as specified in paragraph 100.51 of the original proposal. For the reasons indicated earlier, the future of this programme beyond 1994-95 might be questionable. However, taking into account the remarks made by the Employers, the Director-General proposed that the amount added to programme 70.3 (Vocational training systems management) be transferred to programme 100.5.

565. The Director-General explained that the adjustments in the document before the Committee were extremely limited due to the variety of viewpoints that had been expressed during the earlier discussion. He had tried to respond to the fears, worries, concerns and political messages that any modifications or changes might have implied so that the Office's intentions would be clear, taking due account of budgetary restrictions. The Director-General concluded by thanking the Committee for the many valuable contributions made to the discussion. He hoped that his remarks had reassured the Committee and that it would be able to give the Programme and Budget proposals for 1994-95 its full support.

566. Mr. Vanni, speaking for the Workers, appreciated the Director-General's clarification that he would not dilute the Office's policy on multinational enterprises but that he would simply transfer this section to a larger programme. While the Workers' concerns had been taken into account it would be useful to have a precise statement about that section's activities to ensure that the Office had a unified policy on multinational enterprises. The Workers also expressed appreciation for the Director-General's explanation concerning the Sectoral activities major programme.

567. In the light of the views expressed by all members of the Committee, and subject to the reservations expressed, the Chairman took it that the draft programme and budget could now be recommended by the Committee to the Governing Body.

568. Subject to the positions taken, and to the reservations expressed during this discussion, the Committee -

(a) proposes that the Governing Body recommend to the International Labour Conference at its 80th Session (June 1993) a provisional programme level of $446,211,000, estimated at the 1992-93 budget exchange rate of 1.55 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments to be determined by the Conference;

(b) submits to the Governing Body for proposal to the Conference at the same Session a resolution for the adoption of the Programme and Budget for the 64th financial period (1994-95) and for the allocation of expenses among member States in that period in the following terms:

> The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 64th financial period, ending 31 December 1995, the budget of expenditure for the International Labour Organization amounting to $ and the budget of income amounting to $, which, at the budget rate of exchange of Swiss francs to the US dollar,

amounts to Swiss francs , and resolves that the budget of income, denominated in Swiss francs, should be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Geneva, 3 March 1993. (Signed) Miss A. Mackie,
Reporter.

POINT FOR DECISION:

Paragraph 568.

APPENDIX I

Presentation by the Director-General of the Programme and Budget proposals for 1994-95

(Geneva, 15 February 1993)

Mr. Chairman, ladies and gentlemen,

The Programme and Budget proposals for 1994-95 which I have the honour to submit to you today attempt to follow as closely as possible the recommendations and conclusions emerging from the discussions in your Committee in February 1992 in connection with the preliminary consultations on this programme and budget. The first imperative was that I should present you with a zero growth budget. The proposals now before you in fact respect both the letter and the spirit of zero growth. However, since our last budget debate, 14 new member States have joined the Organization and an ever-increasing number of requests for action in key areas of the ILO's work have been received. In order to cope with this situation in a context of zero growth, we must examine how we can do better and do more with the same amount of resources. Doing better and more means that we have to render the services required by our constituents in a world undergoing far-reaching political, economic and social changes. Moreover, in doing more for the benefit of our constituents, we have to take into account the new development policies elaborated and implemented by the main funding agencies, such as the United Nations Programme for Development, and by a number of countries.

To meet this challenge effectively, we set ourselves three objectives and decided on three types of action. As regard the objectives, in February 1992 we held an extensive discussion on the three major priority objectives that were proposed to you and which you endorsed. These priority objectives are: the promotion of the democratic reforms; the fight against poverty; and the protection of workers. The relevance of these objectives stems from the clear will of the citizens of a large number of member States to take inspiration from the principles of our Organization and in particular respect for fundamental human rights and social justice. They also reflect the choice made in a large number of countries in favour of a market economy. As regards the fight against poverty, despite major efforts undertaken over the last few decades, many countries still suffer from acute poverty. Finally, the upheavals which have taken place throughout the world have often had dramatic consequences for the living and working conditions of a large number of workers, and this fully justifies the choice of our third major objective, i.e. the protection of workers.

These priority objectives, and the major themes at the core of the ILO's mandate set out in the proposals before you, represent the framework for the activities which we intend to carry out during the 1994-95 biennium. These major themes are: international labour standards and the defence of human rights; equality of rights for women; the promotion of employment and structural adjustment; the promotion of the rural and the informal sectors; environment and the world of work.

I recall the initiative taken in 1992-93 when we established a number of interdepartmental projects. The interim evaluation of these projects which is before you at this session of the Governing Body highlights the usefulness of this approach. This has prompted me to propose three new interdepartmental projects concerning migration, the informal sector, and environment and the world of work, respectively.

The control of migratory flows is a major problem for a large number of member States, and several political events in recent months have shown to what extent this has become an acute concern for an increasing number of member States. The informal sector is a reality and it also gives rise to concern because of its weak productivity, the lack of elementary social protection and the absence of conditions enabling workers in this sector to organize themselves. Our previous discussions on the subject should encourage us to press ahead with analysing what the Organization can do in this field. Finally, the scope of the United Nations Conference on Environment and Development and the Tripartite Advisory Meeting recently convened by the ILO should also cause us to assign very high priority to environment and the world of work.

The programme and budget proposals now before you are distinguished by the priority objectives that have been set in them, and by a conscious will to adhere to the Organization's core mandate. In the perspective of zero growth, we have therefore been led to propose the restructuring of certain ILO services which have no prospect of satisfactory development in the future. The choices which have been made therefore reflect priority objectives but they are also designed to make the Organization focus more sharply on its essential tasks in order to ensure that we can attain a sufficient level of excellence in all the activities that we undertake.

As regards the new types of action, the Programme and Budget proposals for 1994-95 endeavour, first of all, to achieve savings; secondly, to allocate the resources saved to financing an ILO structure that will bring us much closer to our constitutents; and, thirdly, to improve the capacity of the technical departments at headquarters to provide the services requested by the member States, and to ensure that the ILO is involved in the major international debates taking place at this time. These three types of action form a whole in which it is impossible to isolate one element from the others.

In relation to savings, our basic approach is to introduce reforms that will enable the Organization to reduce its costs or, at least, to contain cost inflation in carrying out its major institutional responsibilities.

Following the reorganization of the regional conferences, which made it possible to reduce their cost and above all to stimulate genuine debate among member States on the priorities governing the ILO's regional activities, in November the Governing Body approved a series of measures to rationalize the work of the International Labour Conference which should entail global savings of more than $1 million in the next biennium, while at the same time safeguarding the constitutional and standard-setting objectives of the ILO. This will increase the effectiveness of the Conference and will also reduce the burden on the Organization's budget and on those of member States.

The same Working Party which came forward with this plan for rationalizing the work of the Conference has now been called upon to examine improvements in the functioning of the Governing Body, and this session of the Governing Body will have proposals before it for rationalizing and increasing the effectiveness of the work of the Governing Body.

Another reform touched upon in these Programme and Budget proposals concerns the rationalization of standard-setting procedures. Here again the Governing Body will have before it in November 1993 a paper addressing three major issues of concern to the Organization's constituents in relation to the ILO's standard-setting work. The first is the development of a standard-setting policy which will continue to inspire both social policies and the Organization's activities. The second concerns the increasing burden imposed by the questionnaires and reports required for supervising the application of Conventions. The third will be aimed at reducing, to the extent possible, the workload on the Office in preparing the ever-increasing amount of documentation for the Committee of Experts on the Application of Conventions and Recommendations as a result of the increase in the number of member States. A first document which will be submitted to you in November 1993, will deal with a number of questions on which, in the light of informal consultations that are currently taking place, it may be possible to reach a consensus then.

In order to generate savings, proposals are also being made for changes in the internal management of the International Labour Office. Among these, a study concerning the role, functions and cost of the external offices in the industrialized countries has been carried out in response to a wish expressed in the Governing Body, and an information paper on this matter is before you at this session. Although the conclusions of this study emphasize the importance and relevance of these offices for the ILO, as well as for developing countries and relations with our constituents, I have asked for an effort to be made to reduce the cost of this network of offices and the proposals before you present savings amounting to $600,000.

Another long-term saving will result from the introduction of a system of lump-sum payments for travel on home leave and visits of family members. This should allow us to reduce expenditure by some $700,000 over the next biennium.

Major efforts will be made to make improvements in the overall management in the Office. These changes are designed to increase the degree of responsibility of programme managers throughout the Office, as well as to achieve management savings and to permit a thorough analysis of the relevance and impact of the Organization's activities.

What is the aim of these savings and what use will be made of them? The objective is to finance the second major reform which concerns the establishment of a structure that will bring the Office closer to its constituents. The whole of this set-up is known under the term "active partnership policy". Its implementation has already been started and it should lead to a much improved discussion with member States on the programmes that are to be carried out jointly over the next few years, and it will also assign a much greater role to tripartism in defining the objectives to be pursued. For this purpose, the Programme and Budget proposals provide for the reinforcement of our offices in the regions and the creation of multidisciplinary teams. The active partnership policy will also, above all, enable the Organization's constituents to be involved much more closely in its activities. Finally, measures have also been taken to safeguard the unity of the ILO: unity of doctrine around its values, unity of action around its objectives, as decided upon by the Governing Body and the Conference, and unity of organization implying much closer links between our headquarters and field units, as well as more collaboration between headquarters departments.

The setting up of 14 multidisciplinary teams is undoubtedly the salient feature of our policy to help member States to resolve their problems in a timely manner. The preliminary consultations revealed the number and complexity of the problems facing member States, particularly in endeavouring to draw up coherent new economic and social policies or, more directly, in implementing reforms such as privatization, or devising measures to reintegrate unemployed or underemployed sections of the population into the labour force and the mainstream of economic activity. This is the basic rationale for the setting up of these multidisciplinary teams: to be able to provide member States at their request with comprehensive answers, taking into account the decision-making process in those member States. These multidisciplinary teams will be set up gradually. The first of them is already working in Budapest. Steps have been taken to enable six other teams to start work over the next few weeks. The Office will analyse their activities and draw as many lessons from them as possible from the establishment of the first teams, so as to meet the objective of having all these teams operational by the start of the next biennium. A process of communication was initiated several months ago, both inside and outside the Office, in order to create better awareness of the reasons underlying this active partnership policy and to encourage all concerned to commit themselves to the achievement of its major objectives.

The consequences of all these changes on technical cooperation activities do not appear to be always clearly understood. Some people are wondering what they stand to lose from the introduction of this new policy. I think it is important to stress that the constituents of the Organization, in particular those in developing countries, have nothing to lose in the active partnership policy. It is simply an adaptation of the Organization so that it can better serve the new development policies decided upon by all countries, but above all developing countries. The latter have understood that lasting progress in development can only be achieved if they themselves assume a greater degree of responsibility in the implementation of development activities.

This does not mean that the ILO will no longer be involved in the traditional form of technical cooperation. On the contrary, the Organization is committed much more than in the past to cooperating with member States. However, its technical cooperation activities will gradually change in the light of the changing policies of the funding agencies and they will be designed to create the best conditions for enabling our constituents to develop their own capacity to act.

As regards the part of the budget concerning technical cooperation, the proposals before you entail a major degree of rationalization in the management and utilization of regular budget technical cooperation resources at the service of the Organization's constituents. Credits will henceforth be allocated in a more rigorous and transparent manner, and will no longer be used to finance posts of regional advisers at headquarters or administrative posts in the regions. They will be used for external projects or for short-term consultancies requested by ILO constituents and for the 14 multidisciplinary teams that will be mainly involved in advisory activities and will therefore be supplying services directly to constituents. In the Programme and Budget proposals it is planned to increase regular budget technical cooperation by around 6 per cent. I intend to give the greatest possible encouragement to activities and measures from which the Organization's constituents can benefit directly. Measures will also be taken to ensure a more detailed evaluation of the activities undertaken with such credits.

The extra-budgetary resources made available to the Office to implement projects directly will inevitably diminish when the projects are to a greater extent prepared and executed directly by developing countries themselves. This is the logical consequence of the political choices made by the major funding agencies, and will inevitably result in a reduction in support income, in particular for projects financed by UNDP. However, the Office will at the same time be relieved of the administrative work such projects require. It should be clearly understood that the Office will devote much of its analytical capacity to helping developing countries to diagnose their own problems, defining the policy orientations most suited to them, and designing programmes to apply the necessary policies. In this way, the Office will, to a much greater extent than at present, help developing countries to obtain financing for their programmes, whether directly from UNDP, or from the major international and regional financial institutions or from multi-bilateral cooperation agencies.

The relations with several regional centres will also change. The Office is in fact withdrawing from the administrative management of these institutions, which is the exclusive competence of the member States to which they belong. Moreover, the member States in which a number of such institutions are located have expressed their intention to take over their management and have taken steps for this purpose. Here again it should be clearly understood that the aim is to strengthen the technical support provided by the Office to the initiatives taken by member States at the regional and subregional levels. The new multidisciplinary teams have also been designed not only to maintain, but to improve, technical support to the regional centres, and to the subregional and regional cooperation initiatives that member States regard as essential and for which they undertake to cover operating expenses.

The third means of action is proposed as a response to the question: What will the technical services in Geneva do? This involves improving the Office's technical capacity and the use of the Office's resources, in particular its technical resources, to analyse problems encountered in everyday reality by member States. These reforms consist in adopting an approach that strengthens cooperation between headquarters technical staff and staff in the regions. It should be recalled that over the past two decades headquarters services have had to allocate an increasing amount of their resources to project management and administration. In most cases, these administrative tasks resulted from the constantly growing volume of technical cooperation projects assigned to the ILO for execution and implementation. The reforms introduced in the proposals for 1994-95 are intended to relieve headquarters, and technical units in particular, of a whole range of administrative tasks, and to transfer those tasks to where they can be performed at lesser cost and in the most effective manner possible, that is, closer to the technical cooperation projects in the field. Once freed of a large part of such administrative duties, the major technical programmes in Geneva will be able to concentrate their efforts on analysis and technical support to constituents. They will hence be in a better position to discharge their important task of monitoring the quality of the activities carried out in their respective fields. Such changes should also enable the technical services to increase their intellectual contribution to major debates in the international arena. The Organization's position must be stated clearly, and the ILO must ensure that it is heard on such issues as structural adjustment, so as to guarantee greater cooperation, in particular with the Bretton Woods institutions. This should be a major objective to the achievement of which the Second High-Level Meeting on Employment and Structural Adjustment will contribute. The same applies to employment issues and to other major social concerns, and full advantage should be taken of the World Summit for Social Development, to be held in 1995, to improve awareness of the social policy of the Organization in its field of competence.

With this in mind, the technical capacity mobilized by the Organization will be decisive in preparations for the International Labour Conference of 1994, which will mark both the 75th anniversary of the ILO and the 50th anniversary of the Declaration of Philadelphia, and in preparations for the World Summit which will mark the 50th anniversary of the United Nations organization.

All these changes imply a highly significant effort in management policies, in particular those concerning budgetary administration and quality control. They also imply major efforts in personnel policy. They mean in particular that an effort will have to be made to develop the Office's human resources, going well beyond what has been done for staff training in the past. I welcome the positive response to this new policy by the vast majority of the staff and by its union, who have clearly understood that the ILO and its secretariat have no other choice, if they are to remain relevant, than to adapt to changes occurring in the world.

The active partnership policy is perceived as an essential part of the Office's response to the required reforms. Success in applying this policy requires staff mobility, that is, periods at headquarters alternating with assignments to the field offices and the multidisciplinary teams. For this purpose, we must define new forms of collaboration between headquarters and the field, new methods of collective work, a new division of responsibilities, and the strengthening of teamwork. In an organization with a long tradition of hierarchical relations and firmly established vertical structures, more horizontal forms of work organization that focus on exchanges and cooperation are not easy to introduce. The changes needed to achieve this must not therefore be underestimated, and will require major efforts of communication and training. The main reforms needed concern new working methods and the acquisition of new skills, and mobility policies that encourage reassignments and job changes. Defining our aims more clearly so as to respond to the most urgent needs of our constituents also entails the acquisition of new skills and new management techniques. This means in turn according greater attention to evaluating tasks and the selection of staff by the application of rigorous recruitment criteria.

Changes in financing and in the means of executing technical cooperation activities require greater programming skills than are required in administering projects. They also require greater capacity to supply advisory services. They require that experts have a perfect understanding of the links and relationships between their own particular technical fields and the aspects of the problems that concern other Office programmes. Greater experience in assessing and strengthening administrative capacity in the field is needed.

In other words, the challenge that the staff has to face consists in combining a high degree of technical skill with a keen awareness of the impact on, and necessary interaction with, other Office programmes, in order to derive the greatest possible benefit from a multidisciplinary approach in collaboration with, and in the interests of, ILO constituents. While outlining the difficulties to be overcome and the action required, I must stress again that the positive attitude of the staff is without a doubt the greatest asset for the success of this endeavour.

However, at a time when the Organization is embarking on its own structural change, which is needed to ensure its credibility and preserve its authority in the future, it is ironic that the Office has to face financial difficulties. It is these difficulties which have compelled me to propose to the Committee, at the same time as the Programme and Budget proposals for 1994-95, proposals for reducing expenditure in the current biennium so as to maintain the ILO's short-term financial equilibrium. The budgetary savings proposed for 1993 take into account the major choices made in the 1994-95 budget. They are based on the following priority objectives: (1) not to hinder the introduction of the reforms foreseen for 1994-95; (2) not to jeopardize long-term interests by sacrificing the staff, who are the Organization's main asset; and (3) to the extent possible, to maintain the volume of services provided to constituents.

As a result, the choices made involve postponing three meetings, reducing research activities and publications, and diminishing recourse to short-term staff or to external collaboration. These reductions in expenditure are being proposed following thorough consultations. All the major programmes have been involved in this effort, account being taken of the priorities I have just mentioned. The degree of their contribution was decided after an examination of the possibilities within each major programme, but I did not think it reasonable that any one technical area should make a more heavy sacrifice than the others.

The proposals entail the postponement of a number of meetings which, if the proposals are accepted, will have to be included in the Programme and Budget proposals for 1994-95. Particular efforts were also made to identify savings that the Organization might make in the long term, for example, through the new arrangements concerning travel, home leave and family visits. The adjustments that will have to be made to the budget if these proposals are accepted will not change the nature of the reforms or of the objectives retained, or even the relative priority attaching to different activities.

In the extreme case that no further payment is received during this biennium from the States which used to pay their contributions regularly, the potential financial deficit could amount to $13 million. As I have said, I hope that the proposed reductions, the administrative measures and the payments of contributions and of arrears of contributions will make it possible to avoid a deficit at the end of the biennium. Should this happen, however, I propose that it be financed temporarily out of the Working Capital Fund, and I would then propose savings at the start of the next biennium affecting the 1994-95 biennium so as to reconstitute the Working Capital Fund in order to ensure that there is no increase in the contributions due from member States in 1995. If I am proved wrong, so that in future it is no longer possible to be sure of a considerable percentage of contributions, then the Organization would face a long-term problem. I would then propose to the Governing Body and to the Conference a number of measures of a long-term nature to cope with this situation so as to enable the Organization to function normally, that is, within its available resources. I would have to do this in February 1994.

In order to prevent any misunderstanding, I should like to correct one omission from the document, which concerns the proposed reductions. It should be understood that if the contributions paid over the next few months exceed $13 million, contrary to what I have just said, then the reductions in expenditure would be cancelled in full or in part. I remain confident that the undertaking given to pay a significant proportion of the contributions due for 1992-93 will be honoured.

As you will have noted, in real terms the proposals respect the principle of zero growth. They include provision to meet the cost increases that are likely to occur during the coming biennium and to give effect to decisions taken by the United Nations General Assembly and the International Civil Service Commission, the cost of which was not included in the Programme and Budget for 1992-93. Cost increases in Switzerland are based on the hypotheses adopted by common agreement by the Geneva-based United Nations agencies. The major categories of expenditure have been carefully analysed in as objective a manner as possible so as to determine the cost increases to be covered. A general rate of inflation of 4 per cent was adopted for Geneva for the period between now and 1995. The cost increases in these proposals total $41.3 million, that is, an increase of 10.19 per cent on the estimated expenditure for 1992-93. It should be noted that the provision for cost increases in the coming biennium is $3.5 million less than that applied in the current biennium.

The cost estimates given in these proposals have been prepared in accordance with the practice of using the same exchange rate as that used for the Programme and Budget for 1992-93, that is, Sw.Fr.1.55 to the dollar. The total amount of the budget will depend on the Swiss franc/dollar exchange rate applicable during the June Conference. The value of the dollar on the exchange markets today is only two or three centimes different from the rate of Sw.Fr.1.55 retained for the current biennium. This means that in present circumstances, the nominal value of the budget will not be appreciably different from the proposals before you.

In conclusion, during the preliminary consultation last year your Committee expressed an unmistakable desire for reforms to be made in the Organization. The Programme and Budget proposals give expression to this request. They are intended to increase this Organization's intellectual capacity, to improve the quality of its outputs and to make its services more effective. Thus, the year that sees the 75th anniversary of the Organization and the 50th anniversary of the Declaration of Philadelphia will mark a decisive step in the task of adapting the Organization to its constituents' expectations. The coming biennium is only a first stage, and will be followed by others, but I think that one step at a time is sufficient.

APPENDIX II

Reply by the Director-General to the discussion of the Programme and Budget proposals for 1994-95 by the Programme, Financial and Administrative Committee

(24 February 1993)

Mr. Chairman, Ladies and Gentlemen,

I should like to thank all members of the Programme, Financial and Administrative Committee who spoke in the discussion of the Programme and Budget proposals for 1994-95.

I am pleased, first, that a majority of the members of the Committee considered that the proposals reflected the discussions held in February 1992 during the preliminary consultation and that they took adequate account of the conclusions of that discussion.

This view was not fully shared by all: in particular, it was not shared by the Employer members, who regretted that employment issues had not been given the priority they merited in these proposals. I have already had the opportunity to comment on this during the general discussion, and I will therefore simply summarize my previous observations.

Employment - the best possible employment for all - has always been, and will remain, the principal objective of our Organization, whose mission is to link economic growth, social justice and the creation and distribution of wealth. In my view, this priority accorded to employment is reflected in the proposals before you. A major area of emphasis in the budget is the promotion of democratization, but these efforts are intended to enable States that have opted for a democratic system and a market economy to establish the structures and institutions best suited to helping them to rapidly overcome the economic and social difficulties they face. Conversely, if we wish to promote democracy, to contribute to alleviating poverty or to improve living and working conditions, then obviously we must assist in job creation.

Moreover, this policy cannot succeed unless we draw nearer to our constituents. This is the reason for the active partnership policy and the establishment of multidisciplinary teams in the regions, and this accounts for the transfer of resources from headquarters towards the regions in order to implement a more action-oriented programme aimed at balanced economic growth.

I also welcome the satisfaction expressed by several members of the Committee that the Organization has firmly embarked on reforms that are in line with current political, economic and social changes, by placing greater emphasis in its activities on the involvement of the social partners. This is also one of the main features of the proposals.

In reply to speakers who expressed regret at the slight reduction in resources for certain headquarters departments, I should like to say that, with a zero-growth budget, one cannot at the same time welcome the increase in resources for the regions and the substantial increase in allocations for activities to assist employers' and workers' organizations and complain about the reduction in allocations for the technical departments. Once again I must stress that the reductions affecting technical departments essentially reflect the fact that they will be relieved of many responsibilities of a purely administrative nature in the management of technical cooperation activities.

These responsibilities will henceforth be carried out by the field offices. As a result, despite this slight reduction in resources for certain departments, those departments' technical capacity for analysis will undoubtedly be increased by and large.

Two major concerns were voiced during the discussion on the active partnership policy and the multidisciplinary teams, which constitute new means of action. The first relates to the monitoring of operational activities in the field in view of the fact that responsibilities have been reassigned, while the other concerns the manner in which the duties and responsibilities carried out in the field by the multidisciplinary teams and the ILO offices, on the one hand, and those of the regional offices on the other hand, will be interlinked and coordinated.

As regards the first concern, it is important to stress that the transfer of duties and responsibilities should not be confused with decentralization of policy guidance or decision-making within the Organization. This process of change does not involve any shift of policy-making power within the ILO, which remains exclusively with the Governing Body and the International Labour Conference. Moreover, it should be understood that the new arrangements are designed specifically to bring the ILO's headquarters structure closer to its regional structure, for at present the two operate too independently of one another. Already in the preliminary consultations in February 1992, you expressed concern about safeguarding the unity of the Organization, and I fully share that concern.

I would add that the new forms of management, and in particular the arrangements for self-evaluation that will come into force in January 1994, will make it possible to monitor the progress of the Organization's activities, ascertain their relevance and analyse their impact much more systematically than ever before. As a result, this will bring greater transparency to the Organization's activities for the Governing Body, the Conference and in general for all our constituents.

The active partnership policy, beyond its essential aim of enabling the Office to work more closely with its constituents, will result in headquarters departments and field services cooperating more effectively in activities to assist constituents.

This is also your second concern: how will it all be organized? At times it seemed that the emphasis placed on the multidisciplinary teams in the discussion had resulted in the rest of the Organization's structure being overlooked. Our Organization is represented in the field by a network of offices. It is primarily the area offices and their directors who are in direct contact with our constituents. These directors and offices will have the task of defining, with constituents, the objectives to be attained together over the next few years. In order to attain them, they will be able to draw on the new multidisciplinary teams that we are setting up. The teams will consist of representatives of the main headquarters technical departments, and will be responsible for providing constituents with services to meet the needs of the times, and each technical department will have to monitor closely the activities of its field representatives.

Naturally, the whole system will be supervised by the regional directors, who in particular will have to ensure that the policy orientations defined by the Governing Body and the Conference are respected in their region and that the priorities adopted are taken into account. The regional directors will also be accountable for the proper observance of management rules in the regions.

The linkage between the work of the multidisciplinary team members and that of the technical units in Geneva is particularly important for our colleagues who are responsible for matters concerning employers' and workers' organizations. Naturally, the close relations that will be maintained with major programmes 225 (Employers' activities) and 230 (Workers' activities) at headquarters will avert the dangers mentioned in particular by some Worker members.

As regards relations between headquarters and the regions, the active partnership policy is intended to encourage collaboration between experts in Geneva and in the field. For this reason we have increased by almost 65 per cent the resources for the technical departments earmarked for technical advisory services to constituents in member States.

Major programme 150 (Development cooperation) is being reorganized so as to ensure that arrangements for the monitoring of the active partnership policy and the procedures for coordination between headquarters and the regions function adequately.

More generally, the creation of the multidisciplinary teams will provide an opportunity for a detailed review of relations between headquarters and field offices. This exercise involves all units in the Office and will be completed in April 1993, and the recommendations you have made in the course of the discussions will be scrupulously taken into account.

Your discussion brought out two other major concerns. The first is the Organization's policy on standard setting. Here I should like to ensure that there is no misunderstanding. The Organization's policy on standards is not a matter for the Office to determine, but is the prerogative of the Governing Body and the Conference. Therefore, the paper that will be submitted to the Governing Body by the Office this autumn should not give rise to undue expectations or unjustified fears. It will focus on changes in procedure and administrative practice. However, I think that any changes in this area, if accepted by the Governing Body and ultimately by the Conference, would probably make it possible to re-examine at a later stage and in better conditions the policies to be followed in future in this area.

Your second major concern relates to the Organization's policy on sectoral activities. Many Government representatives - from the United Kingdom, Australia, Germany, Canada, the United States, China, Belgium and Denmark - stressed that major programme 100 (Sectoral activities) should be thoroughly reviewed. I agree with this proposal, but I share Mr. Oechslin's misgivings about the wide scope of the problem to be addressed. Given the limits of the resources available to it today, the Office cannot adequately address both the widely varying needs of member States and the problems experienced by different sectors of activity. Nevertheless, this is a serious question, as it concerns the relevance of our Organization to a vast number of workers and employers throughout the world. It goes far beyond an analysis of the functioning of the department responsible for organizing sectoral meetings, although it does include this aspect.

I therefore propose to add one work-year and $40,000 to major programme 200 (Programming and management), in addition to the resources already earmarked for this purpose in major programme 100 (Sectoral activities), so as to prepare a set of proposals on this subject involving broad consultation of our constituents. I have asked for an issues paper to be prepared for submission to the Governing Body in February 1994. It can then be discussed during the preliminary consultation on the next programme and budget, so that any reforms can be prepared during the next biennium. Meanwhile, in view of the comments made by Mr. Gray on behalf of the Worker members, I propose to

add two work-years so as to strengthen our capacity in terms of industrial specialists under this major programme.

I should now like to detail the adjustments to the proposals examined by your Committee which I have made in the light of your discussion. A paper on this question has been distributed to you this morning.

In reply to the concerns expressed by Mr. Oechslin and Mr. Katz, as well as Ms. Carr and Mr. Mugalla, on the subject of employment and bearing in mind that employment promotion is not the monopoly of major programme 60 (Employment and development), I am proposing various adjustments.

First, I propose to add two Professional work-years to major programme 60 (Employment and development) in order to increase that major programme's capacity to provide advisory services on structural adjustment and employment to developing countries. I also propose that one Professional work-year be added to major programme 65 (Enterprise and cooperative development), to enable it to increase its advisory services for the development of entrepreneurship and small enterprises.

Both the Employers' and the Workers' members questioned the underlying justification for my proposals to reduce the resources allocated to the Hotel and Tourism Branch and to reorganize its activities, which would in future be entrusted to the technical major programmes dealing with the subject-matter of the assistance requested. However, I have to maintain the position I took, in the light of the budgetary constraints we are facing, that we must adhere to our basic mandate. It is not possible to make further investment in a unit whose senior officials are due to leave the ILO in the course of the next biennium. However this does not mean that we no longer take any interest in a sector that is extremely important for many countries, and I therefore propose to add eight work-months to major programme 70 (Training) for technical advisory services relating to vocational training in the hotel and tourism industry.

In reply to Miss Mackie's comments, on behalf of the Employers, and those made by Mrs. Engelen-Kefer on behalf of the Workers' group and by the Government representative of Australia, concerning the modest level of resources allocated to activities for the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, I propose to add one Professional post, i.e. two work-years, under programme 80.2 (Labour law and labour relations).

During the discussion on major programme 90 (Working conditions and environment), the representative of the Government of Germany and several other Government representatives - United States, United Kingdom, France, Cameroon and Australia - expressed support for the Office's activities in the field of child labour. They also expressed regret that the resources allocated to these activities were being reduced. The spokesman of the Workers' group expressed the same concern. I therefore propose to strengthen these activities by adding to the existing proposals an amount equivalent to 12 work-months for technical advisory services. The strengthening of these activities must go hand in hand with increased cooperation with the social partners in this field and closer cooperation between these programmes and those implemented thanks to extra-budgetary resources received for this purpose. However, it should be understood that an interdepartmental project is a major activity which cannot be sustained over several biennia.

The discussion on major programme 110 (Social security) highlighted the considerable problems affecting social security systems and the need for

training to enable tripartite participation in dealing with these questions. For this purpose, I am proposing to add one work-year to major programme 110.

The representative of the Governments of the United Kingdom and Australia associated themselves with the Employers' and Workers' spokespersons in reiterating the importance which they attached to the courses organized by the International Institute of Labour Studies. To meet their wishes, I've added $230,000 to this major programme so that we can organize a second internship course during the biennium, on the understanding that each course will have a duration of 22 instead of 30 days as originally proposed.

As I undertook to do in the debate, I have added two work-years under major programme 220 (Relations and meetings) to cover the post of chief interpreter.

The representative of the Government of Japan and the majority of Government representatives from the Asian region rightly pointed out that in my initial proposals the credits for regular budget technical cooperation in Asia were modest compared with other regions and in the light of the real needs. Consequently, I have added $240,000 for field projects in that region, to be made available from additional savings made on the rental and maintenance costs of the Tokyo Office.

Adjustments have also been made to take account of the adjournment of meetings following your Committee's adoption of the proposals for expenditure reductions to meet potential income shortfalls. Accordingly, I propose to add two work-months and a provision of $85,000 to programme 90.2 (Occupational safety and health) for the Meeting of Experts on the Safety and Health of Workers in the Electronics Industry.

I also propose to include in the Programme and Budget proposals for 1994-95 the Joint Committee on the Public Service which was postponed in the framework of the expenditure reductions. That meeting could replace the one contained in these proposals, for which the Industrial Activities Committee would otherwise have to choose the subject.

Finally, I propose to include $114,600 for the holding of the third meeting which was postponed, i.e. the Tripartite Meeting of Experts on Social Security and Social Protection: Equality of Opportunity between Men and Women. I would like to add that if expected income is in fact received in 1993, so making it possible to hold one or other of these meetings in 1993, I would of course come back to the Governing Body with new proposals regarding 1994-95.

These adjustments entail the postponement of, and the suppression of the resources contained in the Programme and Budget proposals for 1994-95 under programme 50.4 (Equality of rights) for, the meeting of experts on personnel policies to promote equality of opportunity. The same applies to the resources allocated under programme 90.2 (Occupational safety and health) for the meeting of experts on workplace specifications.

To counterbalance the additions proposed, I will now outline the possibilities for savings. Firstly, a modest saving of some $20,000 will be made under programme 50.4 (Equality of rights). The proposals for 1994-95 provided for the preparation of a report based on a study that was to have been undertaken in 1993, on appeals procedures and machinery to implement the rights of women set out in law. As that study had to be dropped because of the expenditure reductions, the report cannot be prepared.

Reservations were expressed on the proposal made under programme 60.3 (Active labour market policies) for a work item on labour regulations, employment and productivity. As this proposal overlaps considerably with another study proposed by the International Institute of Labour Studies, I suggest the deletion of that work item under paragraph 60.32.

I am also proposing that greater efforts be made to achieve savings on support and administrative activities. This has prompted me to reduce by $320,000 the credits for maintenance of existing computer systems that will be replaced in the framework of the Office's new information technology strategy. This meets the wish expressed by the representative of the United Kingdom Government and by Mr. Vanni on behalf of the Workers that investments in this field should lead to savings.

I have also requested the Treasurer and Financial Comptroller to take heed of the comments by the representatives of the Governments of the United Kingdom and Australia that savings should be made in internal administration costs. The studies under way to review the building maintenance costs and the simplified arrangements for home leave, educational grant and family visit travel make it possible to propose reducing major programme 140 (Financial and central administrative services) by $345,000.

A reduction of $270,000 is also proposed in external collaboration and staff travel under the three interdepartmental projects. In addition, one work-year will be saved under the post of coordinator of the interdepartmental project on the environment in view of recent decisions taken concerning the staff of this project, which imply much greater coordination with the activities in this field undertaken under major programme 90 (Working conditions and environment). Finally, I propose to reduce the Programme Flexibility Reserve to its present level under the 1992-93 budget, which entails a reduction of $350,000.

In line with my statement concerning future expenditure on ILO offices in the industrialized countries, I am proposing savings of $110,000 in the New York Liaison Office, in addition to the further savings of $240,000 made in the Tokyo Office.

I would also point out that the changes resulting from the adoption of lump-sum arrangements for travel costs have made it possible to reduce the nominal level of my original proposals by $803,000, with the result that this level has gone down from $447.014 million to $446.211 million.

To sum up, these adjustments do not alter the reform-oriented nature of the proposals. They will considerably strengthen the programmes directly concerned with promoting employment and they include the meetings postponed from this biennium, while maintaining the number of meetings originally proposed for 1994-95. Finally, these adjustments are mainly financed from savings on administrative and support costs.

APPENDIX III

A. ADJUSTMENTS TO PART I OF THE DIRECTOR-GENERAL'S PROGRAMME AND BUDGET PROPOSALS FOR 1994-95

(The dollar amounts for proposed reductions are shown in brackets)

Prog. No.	Para. No. in the proposals	Activity and/or item of expenditure by major programme	P work-months	GS work-months	In constant dollars: Non-staff costs	In constant dollars: Total by activity
		International labour standards and human rights				
50.4	50.38	Delete work item on appeals procedures and machinery to implement rights set out in law.	(2)			(20,586)
50.4	50.42	Postpone the proposed meeting of experts on personnel policies to promote equality of opportunity until a later biennium	(2)		(97,000)	(117,586)
		Employment and development				
60.3	New	Add provision under the Active labour market policies programme for ILO technical advisory services on structural adjustment and employment in developing countries, 2/00 P work-years	24			247,032
	60.32	Delete work item on Labour regulations, employment and productivity	(12)		(11,000)	(134,516)
		Enterprise and cooperative development				
65.2	New	Add provision for technical advisory services under the Entrepreneurship, small enterprise and informal sector development subprogramme	12			123,516
		Industrial relations and labour administration				
80.2	80.33	Add a Professional post for the Multinationals enterprises subprogramme, for the promotion of the Tripartite Declaration	24			247,032
		Working conditions and environment				
90.2	New	Add Meeting of Experts on the Safety and Health of Workers in the Electronics Industry (postponed from 1993)	2		80,500	101,086
90.2	90.33	Postpone meeting of experts on workplace specifications until 1996-97	(2)		(126,000)	(146,586)
90.4	90.67	Add further resources for Child labour: technical advisory services	12			123,516
		Sectoral activities				
100.2	100.9	Add one sectoral specialist post 2/00 P work-years	24			247,032
	100.40	Add further provision for technical advisory services to the Hotels and tourism sector	8			82,344

Prog. No.	Para. No. in the proposals	Activity and/or item of expenditure by major programme	P	GS	In constant dollars	
			work-months		Non-staff costs	Total by activity
100.6	New	Add the Joint Committee on the Public Service (Fifth Session) postponed from 1993, leading to a net resource saving[1]			(19,760)	(19,760)
	100.47	Delete resources set aside for the preparation of the report for the ninth smaller sectoral meeting (since the report for the Joint Committee has already been prepared), 0/10 P work-year	(10)			(102,930)
		Social Security				
110	New	Add resources for training on Tripartite participation in the development and management of social security systems, 1/00 P work-year	12			123,516
	New	Add Tripartite Meeting of Experts on Social Security and Social Protection: Equality of Opportunity between Men and Women (postponed from 1993)			114,600	114,600
		Labour information and statistics				
120.4	120.48	Reduce provision for computer maintenance			(320,000)	(320,000)
		International Institute of Labour Studies				
130	130.18	Add provision for a second internship course (it being understood that each course will have a duration of 22 rather than 30 days)			230,000	230,000
		Interdepartmental projects				
140		Reduce external collaboration for the three interdepartmental projects by $160,000 and staff travel by $110,000			(270,000)	(270,000)
140.4	-	Reduce provision for the project coordinator for the Environment project by 1/00 P work-year	(12)			(123,516)
140.6	140.53	Reduce Programme Flexibility Reserve to same level as in biennium 1992-93			(350,000)	(350,000)
		Financial and central administrative services				
170.4	170.17	Reduction in building maintenance contracts and in travel services due to simplified home leave, education grant and family visit travel arrangements			(345,000)	(345,000)
		Programming and management				
200	200.7	Add resources for the preparation of a review and evaluation of the ILO's Sectoral activities programme	12		40,000	163,516

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[1] It is assumed that the Joint Committee on the Public Service will become the ninth smaller sectoral meeting, the subject of which has not yet been determined. The direct cost of the Committee is $149,030; an amount of $168,790 was set aside in the proposals for the ninth smaller meeting.

Prog. No.	Para. No. in the proposals	Activity and/or item of expenditure by major programme	P	GS	In constant dollars	
			work-months		Non-staff costs	Total by activity
		Relations and meetings				
220.2	220.10	Restore provision for the chief interpreter post, 2/00 P work-years	24			247,032
	220.10	Net change in resources for interpretation at technical meetings			10,258	10,258
		New York				
240	240.3	Savings of $20,000 in external collaboration			(20,000)	(20,000)
	-	Reduction in General Service support[2]		(24)		(90,000)
		Field programmes in Asia and the Pacific				
270.2	270.30	Increase RBTC for field projects in the Asia and the Pacific region			240,000	240,000
270.4	270.37	Reduce provision for rent and maintenance in the Tokyo Office by $240,000			(240,000)	(240,000)
		NET CHANGE IN THE OVERALL LEVEL OF PART I OF THE BUDGET FOR THE BIENNIUM				-

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[2] This corresponds to the non-replacement of a GS official who is leaving in 1993.

APPENDIX III

B. PROVISIONAL PROGRAMME LEVEL RESULTING FROM THE ADJUSTMENTS PROPOSED BY THE DIRECTOR-GENERAL

			1994-95 Provisional level $
PART I	ORDINARY BUDGET		
	Initial proposals in constant dollars (at Sw.frs.1.55 to US$1)		404 815 000
	Net programme adjustments as per Appendix I		-
			404 815 000
	Initial cost increases	41 324 000	
	Effects of introduction of lump-sum arrangements for home leave, education grant and family visit travel	(800 000)	
	Adjustments due to programme changes	(3 000)	40 521 000
NET PART I			445 336 000
PART II	UNFORESEEN EXPENDITURE		875 000
PART III	WORKING CAPITAL FUND		-
1994-95 PROVISIONAL PROGRAMME LEVEL			446 211 000

COMPARISON WITH 1992-93 PROGRAMME AND BUDGET:

		1992-93 budget $	1994-95 provisional level $	Increase (decrease) compared with 1992-93 $
PART I	Programmes of activity	404 815 000	404 815 000	-
	Cost increases		40 521 000	40 521 000
PART II	Unforeseen expenditure	875 000	875 000	-
PART III	Working Capital Fund	-	-	-
TOTAL BUDGET (PARTS I, II AND III)		405 690 000	446 211 000	40 521 000

APPENDIX IV

PROPOSED EXPENDITURE BUDGET FOR 1994-95 BY MAJOR PROGRAMME (IN US DOLLARS)

CHAPTER	ITEM	TITLE	1992-93 BUDGET	1994-95 ESTIMATES (IN CONSTANT 1992-93 DOLLARS)	1994-95 ESTIMATES (RECOSTED)
		PART I. ORDINARY BUDGET			
A		POLICY MAKING ORGANS:			
	10	INTERNATIONAL LABOUR CONFERENCE	11,951,662	10,890,336	11,860,610
	20	GOVERNING BODY	2,085,278	2,048,478	2,214,433
	30	MAJOR REGIONAL MEETINGS	2,289,081	1,804,638	1,984,295
		TOTAL	16,326,021	14,743,452	16,059,338
B		GENERAL MANAGEMENT:			
	40	GENERAL MANAGEMENT	7,826,190	7,431,852	8,109,827
C		TECHNICAL PROGRAMMES:			
	50	INTERNATIONAL LABOUR STANDARDS AND HUMAN RIGHTS	16,163,497	16,221,982	17,751,452
	60	EMPLOYMENT AND DEVELOPMENT	13,725,643	13,327,488	14,598,688
	65	ENTERPRISE AND COOPERATIVE DEVELOPMENT	6,832,200	6,705,396	7,361,580
	70	TRAINING	8,138,910	7,923,932	8,695,193
	75	TURIN CENTRE	4,219,510	4,219,510	4,785,000
	80	INDUSTRIAL RELATIONS AND LABOUR ADMINISTRATION	9,078,630	8,898,043	9,748,558
	90	WORKING CONDITIONS AND ENVIRONMENT	14,024,180	13,405,435	14,709,980
	100	SECTORAL ACTIVITIES	13,673,630	13,067,960	14,245,038
	110	SOCIAL SECURITY	5,090,405	5,362,256	5,855,900
	115	INTERNATIONAL SOCIAL SECURITY ASSOCIATION	534,910	534,910	569,670
	120	LABOUR INFORMATION AND STATISTICS	23,951,523	23,009,844	25,396,413
	130	INTERNATIONAL INSTITUTE FOR LABOUR STUDIES	4,262,970	4,024,780	4,463,280
	140	INTERDEPARTMENTAL PROJECTS	8,376,345	7,901,356	8,652,561
		TOTAL	128,072,353	124,602,892	136,833,313
D		SERVICE AND SUPPORT ACTIVITIES:			
	150	DEVELOPMENT COOPERATION	2,523,687	2,196,400	2,405,954
	160	PERSONNEL	11,312,203	12,358,657	13,771,691
	170	FINANCIAL AND CENTRAL ADMINISTRATIVE SERVICES	41,210,998	40,336,587	44,920,372
	180	EDITORIAL AND DOCUMENT SERVICES	30,404,532	28,891,286	32,341,035
	190	LEGAL SERVICES	2,179,268	2,179,268	2,371,534
	200	PROGRAMMING AND MANAGEMENT	4,353,143	4,516,759	4,924,221
		TOTAL	91,983,831	90,478,957	100,734,807
E		RELATIONS:			
	220	RELATIONS AND MEETINGS	25,500,558	24,821,977	26,640,118
	225	EMPLOYERS' ACTIVITIES	3,870,508	4,257,540	4,669,035
	230	WORKERS' ACTIVITIES	10,971,783	12,076,651	13,244,150
	235	PUBLIC INFORMATION	3,914,833	4,274,833	4,686,935
	240	LIAISON OFFICE WITH UNITED NATIONS, NEW YORK	1,821,304	1,612,064	1,761,920
		TOTAL	46,078,986	47,043,065	51,002,158
F		REGIONAL SERVICES:			
	250	FIELD PROGRAMMES IN AFRICA	31,280,379	32,655,548	35,809,297
	260	FIELD PROGRAMMES IN THE AMERICAS	27,364,706	28,327,652	32,184,800
	265	FIELD PROGRAMMES IN ARAB STATES	5,824,110	6,150,614	6,644,541
	270	FIELD PROGRAMMES IN ASIA AND THE PACIFIC	27,711,161	28,910,963	32,091,372
	280	FIELD PROGRAMMES IN EUROPE	7,792,492	9,438,344	10,080,060
		TOTAL	99,972,848	105,483,121	116,810,070
G		OTHER BUDGETARY PROVISIONS:			
	290	OTHER BUDGETARY PROVISIONS	17,949,766	18,426,656	19,452,564
		SUB TOTAL	408,209,995	408,209,995	449,002,077
		ADJUSTMENT FOR STAFF TURNOVER	(3,394,995)	(3,394,995)	(3,666,077)
		TOTAL OF PART I	404,815,000	404,815,000	445,336,000
		PART II. UNFORESEEN EXPENDITURE			
	295	UNFORESEEN EXPENDITURE	875,000	875,000	875,000
		PART III. WORKING CAPITAL FUND			
	296	WORKING CAPITAL FUND	-	-	-
		TOTAL (PARTS I-III)	405,690,000	405,690,000	446,211,000

ANNEX 2

(a) Report of the Allocations Committee to the Governing Body at its 255th Session (February-March 1993)

(b) Amendments to the Report of the Allocations Committee

INTERNATIONAL LABOUR OFFICE
BUREAU INTERNATIONAL DU TRAVAIL
OFICINA INTERNACIONAL DEL TRABAJO

GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

ANNEX 2(a)

GB.255/7/10
255th Session

Geneva,
1-4 March 1993

Seventh item on the agenda

REPORT OF THE ALLOCATIONS COMMITTEE

1. The Allocations Committee met on 22 February 1993 under the chairmanship of Mr. S. Takahashi (Japan).

Assessment of contributions of new member States

(First item on the agenda)

2. The Committee considered a paper[1] dealing with two subjects.

Assessment of the 1991 and 1992 contributions of new member States

3. The Committee noted that the 79th (June 1992) Session of the International Labour Conference considered the rates of assessment of Azerbaijan, Estonia, Kyrgyzstan, Latvia, Lithuania and Slovenia, all of which joined the United Nations and also became Members of the International Labour Organization either in late 1991 or early 1992. As the assessment rates of these member States for the periods of their membership in the United Nations in 1991 and 1992 would not be approved by the General Assembly of the United Nations until late in 1992, the Conference decided that consideration of the rates of assessment for the periods of their membership in the ILO in 1991 and 1992, together with those of any other new member States for which rates of assessment had not been established in the 1992-94 United Nations scale of assessments, be deferred to the 80th (June 1993) Session of the Conference. Armenia, Croatia, Moldova and Uzbekistan, all of which were admitted to the

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[1] GB.255/AC/1/2.

United Nations in the early part of 1992, had since become Members of the ILO. The Forty-Seventh Session of the General Assembly of the United Nations in December 1992 established rates for the assessment of all of the above new member States for the periods of their membership in the UN in 1991 and 1992. In the case of those new member States which had formed part of the former Union of Soviet Socialist Republics (USSR) the General Assembly decided that their assessments for the periods of their membership in the UN in 1991 and 1992 should be deducted from the assessments of the former USSR for those years. In the cases of Slovenia and Croatia it was decided that their assessments for the periods of their membership in 1992 should be deducted from that of Yugoslavia for 1992.

4. In accordance with the decision of the Conference referred to in paragraph 3 above, the Allocations Committee was required to recommend to the Governing Body, for submission to the 80th (June 1993) Session of the International Labour Conference, appropriate rates for the assessment of the above new member States for the periods of their membership of the ILO during 1991 and 1992. In accordance with the established principle of harmonizing ILO rates of assessment with those of the UN, the Committee considered it appropriate to recommend the same rates as those established in the UN. The Committee also agreed to follow the practice adopted in the UN relating to the deduction of the assessments of those new member States that formed part of the former USSR from the 1991 and 1992 assessments of the former USSR and the deduction of the assessments of Slovenia and Croatia from the 1992 assessment of the former Socialist Federal Republic of Yugoslavia (Yugoslavia). The Appendix to this report shows details of the new member States, their date of admission to both the UN and the ILO, and what their rates of assessment and the amounts of their assessments would be in the ILO for 1991 and 1992, together with the resulting deductions from the assessments of the former USSR for 1991 and 1992 and from that of Yugoslavia for 1992, if the Committee's recommendations were followed.

5. The Committee recommends to the Governing Body that it propose to the Conference that:

(a) the contributions to the ILO budget of the new member States listed in column 1 of the Appendix to this report for the periods of their membership in 1991 and 1992 be based on the annual assessment rates shown for each in column 4 of the Appendix;

(b) the resulting assessments for 1991 and 1992 of Armenia, Azerbaijan, Estonia, Kyrgyzstan, Latvia, Lithuania, Moldova and Uzbekistan appearing in columns 7 and 8 of the Appendix be deducted from the assessments of the former USSR for those years; and

(c) the resulting assessments for 1992 of Croatia and Slovenia as appearing in column 8 of the Appendix be deducted from the 1992 assessment of Yugoslavia.

Assessment of the 1993 contributions of new member States

6. The 79th (June 1992) Session of the International Labour Conference adopted a scale for the assessment of member States' contributions for 1993. However, as the 1993 United Nations assessment rates of Azerbaijan, Estonia, Kyrgyzstan, Latvia and Lithuania, all of which were new member States which had formed part of the former USSR, would not be approved by the General Assembly until later in 1992, the Conference decided that the 1993 assessment

rates for these new member States, together with any other States which formed part of the former USSR which might become Members of the ILO before 1 January 1993, were to be the same as the rates at which they would be assessed for 1993 in the United Nations and that the total of their rates of assessment was to be deducted from the rate of assessment of the Russian Federation in the scale of assessments. Armenia, Moldova and Uzbekistan became Members of the ILO in 1992. The Forty-Seventh Session of the General Assembly of the United Nations in December 1992 established rates of assessment for all of the above States for 1993. In accordance with the Conference decision, the rates of assessment and the amounts of the 1993 assessments of each of these new member States and the total to be deducted from the 1993 assessment of the Russian Federation are shown in columns 4 and 9 of the Appendix to this report.

7. The Committee also considered it appropriate, similar to the procedure followed in 1992, to provide for the eventuality that other States which formed part of the USSR for which rates of assessment for 1993 have been established in the United Nations might become Members of the ILO during the remainder of 1993, and agreed that the 1993 assessments of any further new member States should be treated in the same manner as indicated above.

8. The Committee recommends to the Governing Body that the contributions for the period of their membership in 1993 of any other States which formed part of the former USSR which may become Members of the ILO before 1 January 1994 be based on their rates of assessment for 1993 in the United Nations, and that the resulting total of their assessments be deducted from the assessment of the Russian Federation for 1993.

9. The 79th (June 1992) Session of the International Labour Conference also considered the rate of assessment for 1993 of the Republic of Slovenia and decided that, as the 1993 rate of assessment for Slovenia would not be approved by the General Assembly until later in 1992, consideration of the rates of assessment for 1993 of Slovenia and any other new member State for which rates of assessment had not yet been established in the United Nations be deferred to the 80th (June 1993) Session of the Conference. Croatia had since joined the ILO, with the result that the Committee was required to recommend rates of assessment for both Croatia and Slovenia to the Governing Body for submission to the 80th (June 1993) Session of the Conference. The 47th Session of the General Assembly established rates of assessment for 1993 in the United Nations of 0.13 per cent for Croatia and 0.09 per cent for Slovenia, and decided that these rates would be deducted from the 1993 rate of assessment of Yugoslavia of 0.42 per cent. Following the established principle of harmonizing the rates of assessment of ILO member States with those of the UN the Committee considered it appropriate to recommend the same rates as those established in the UN. The Committee also agreed to follow the practice adopted in the UN relating to the deduction of the assessments of these new member States from the assessment of Yugoslavia in the ILO for 1993 of 0.42 per cent.

10. The Committee recommends to the Governing Body that it propose to the Conference:

(a) that the rates of assessment for 1993 of Croatia and Slovenia be 0.13 per cent and 0.09 per cent respectively; and

(b) that the total of their rates of assessment for 1993 be deducted from the rate of assessment of Yugoslavia for 1993.

Assessment of contributions of the Czech Republic and the Slovak Republic

11. The Committee next considered a second paper[1] which explained that the ILO scale of assessments for the allocation of income among member States for 1993 was based upon the 1992-94 United Nations scale approved by the UN General Assembly in December 1991 and included the Czech and Slovak Federal Republic (Czechoslovakia) at a rate of assessment of 0.54 per cent, which resulted in an assessed contribution of 1,697,813 Swiss francs, and, after taking account of various credits, a net amount payable by Czechoslovakia for the year 1993 of 1,430,481 Swiss francs. Czechoslovakia ceased to exist on 31 December 1992, with the result that the obligation to pay the amount due for 1993 was extinguished.

12. The Czech Republic and the Slovak Republic, both of which had formed part of the former Czechoslovakia, joined the United Nations on 19 January 1993 and became Members of the International Labour Organization on 5 February 1993 and 22 January 1993, respectively. The Allocations Committee thus needed to recommend to the Governing Body for submission to the 80th (June 1993) Session of the Conference appropriate rates of assessment for the Czech Republic and the Slovak Republic for their periods of membership of the ILO during 1993. In considering those rates of assessment the Committee agreed that the established practice of harmonizing the ILO rates of assessment with those of the United Nations should be followed, but noted that the current 1992-94 UN scale of assessments, which was adopted by the General Assembly at its 47th Session in December 1992, did not include either of these new member States. The United Nations Committee on Contributions will consider appropriate rates of assessment for the periods of their membership of the UN during 1993 in June-July 1993 and any recommendation made by that Committee would not be approved by the General Assembly until its 48th Session in December 1993, too late for submission to the 80th (June 1993) Session of the Conference.

13. The Committee recommends to the Governing Body that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, and taking into account that the assessment rates of the Czech Republic and the Slovak Republic for their periods of membership in the United Nations in 1993 will not be approved by the General Assembly of the United Nations until later in 1993, it propose to the Conference that consideration of the rates of assessment of the Czech Republic and the Slovak Republic for their periods of membership in the Organization in 1993 be deferred to the 81st (June 1994) Session of the International Labour Conference.

14. The Committee noted that, since the Conference has already fixed the 1993 assessment of the former Czech and Slovak Federal Republic, it was reasonable to assume that, when determining the respective assessments of the Czech Republic and the Slovak Republic for 1993, the aggregate amount of those assessments would correspond to the assessment determined for the former Czechoslovakia, reduced by approximately one-twelfth having regard to the respective dates on which they joined the Organization. The unknown factor, which could be decided only at the time of the 1994 Conference, was the precise breakdown of the latter amount as between the two Republics. However, the National Councils of both Republics had proclaimed their willingness to assume their share of Czechoslovakia's former financial commitments in

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[1] GB.255/AC/1/3.

international organizations and the long delay in the receipt of any contribution from those Members until after the 1994 Conference would place a substantial burden on the financial situation of the Organization during the remainder of 1993 and until such time as the contributions in respect of 1993 were received from the Czech Republic and the Slovak Republic. Therefore, the Committee considered it appropriate to recommend to the Governing Body that it request the Director-General to consult immediately both the Czech Republic and the Slovak Republic so as to request these two States to pay, on a provisional basis, jointly agreed amounts which would be calculated by reference to the 1993 contribution assessed for the former Czechoslovakia for 1993. When the definitive amounts due from each in respect of 1993 were established, appropriate adjustments would be made to allow for any under- or over-payments made by each as a result of their settling this amount.

15. The Committee recommends that the Governing Body request the Director-General to consult the Czech Republic and the Slovak Republic with the aim of obtaining an aggregate provisional payment calculated by reference to the contribution assessed for the former Czechoslovakia for 1993 reduced pro rata by reference to the respective period of membership of each Republic in the ILO during that year, and to report the results of these consultations or make any further proposals as may be appropriate as a result of such consultations to the Allocations Committee during the 256th (May-June 1993) Session of the Governing Body.

Other questions

(Second item on the agenda)

Procedure for the possible continuation of the work of the Allocations Committee during the Conference

16. The Committee considered a paper[1] in connection with which the Chairman explained that the Committee would have to meet in May 1993 during the 256th Session of the Governing Body to adopt the scale of assessments for the 1994-95 financial period and also to consider any other business that might arise before then, but it might also become necessary for it to meet during the 80th Session of the Conference in June 1993 if further changes were to occur in the membership of the Organization or if other urgent business were to arise after the end of that session of the Governing Body.

17. The Committee recommends to the Governing Body that it be authorised to continue its work, if necessary, after the Governing Body has finished its

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[1] GB.255/AC/2/1.

business on 29 May 1993 and to submit its report direct to the Finance Committee of Government representatives of the Conference.

Geneva, 24 February 1993. **(signed) S. Takahashi,**
Chairman and Reporter.

POINTS FOR DECISION:

Paragraph 5;
" 8;
" 10;
" 13;
" 15;
" 17.

APPENDIX

New member States of the ILO

New member State	Date of admission (day/month/year)		Rates of assessment approved in the UN for 1991, 1992 and 1993 (percentage)	Number of days of membership in the ILO		Amount of assessment in the ILO (Swiss francs)[1]		
	To the UN	To the ILO		1991	1992	1991	1992	1993[2]
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
A. New member States that formed part of the former USSR								
Armenia	2.03.92	26.11.92	0.13	-	36	-	40 203	408 733
Azerbaijan	2.03.92	19.05.92	0.22	-	227	-	429 006	691 701
Estonia	17.09.91	13.01.92	0.07	-	354	-	212 871	220 087
Kyrgyzstan	2.03.92	31.03.92	0.06	-	276	-	142 258	188 646
Latvia	17.09.91	3.12.91	0.13	29	366	29 864	408 733	408 733
Lithuania	17.09.91	4.10.91	0.15	89	366	105 752	471 615	471 614
Moldova	2.03.92	8.06.92	0.15	-	207	-	266 733	471 614
Uzbekistan	2.03.92	13.07.92	0.26	-	172	-	384 164	817 465
Totals to be deducted from the assessments of the former USSR for 1991 and 1992 and from the Russian Federation for 1993						135 616	2 355 583	3 678 593

New member States of the ILO (concl.)

New member State	Date of admission (day/month/year)		Rates of assessment approved in the UN for 1991, 1992 and 1993 (percentage)	Number of days of membership in the ILO		Amount of assessment in the ILO (Swiss francs)[1]		
	To the UN	To the ILO		1991	1992	1991	1992	1993[2]
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
B. New member States that formed part of the former Federal Socialist Republic of Yugoslavia								
Croatia	22.05.92	30.06.92	0.13	-	185	-	206 600	408 733
Slovenia	22.05.92	29.05.92	0.09	-	217	-	167 771	282 969
Totals to be deducted from the 1992 and 1993 assessments of the former Federal Socialist Republic of Yugoslavia							374 371	691 702

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[1] The amount of the assessment is determined by applying the percentage rate of assessment in column 4 to the number of days of membership in each year, divided by 365 (days) in the case of 1991 and 366 (days) in the case of 1992, and applying this factor to the ILO assessed budgets of income of 289,135,000 Swiss francs for 1991 and 314,409,750 Swiss francs for 1992 and 1993.

[2] 1993 assessments are for a full year of membership.

Amendments to the Report of the Allocations Committee

At its 255th Session (February-March 1993), the Governing Body decided to amend paragraph 15 of the Report of the Allocations Committee[1] to read as follows:

> 15. The Committee recommends that the Governing Body request the Director-General to consult the Czech Republic and the Slovak Republic with the aim of obtaining an aggregate provisional payment calculated by reference to the contribution assessed for the former Czechoslovakia for 1993 reduced eventually pro rata by reference to their respective periods of membership during that year, and to report the results of these consultations or make any further proposals as may be appropriate as a result of such consultations to the Allocations Committee during the 256th (May-June 1993) Session of the Governing Body.

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[1] GB.255/7/10.

ANNEX 3

Amendments to the Financial Regulations

Amendments to the Financial Regulations

(Deletions are in square brackets, new text is underlined)

Article 11

1. Except in so far as the Conference may decide otherwise, all income other than contributions payable by governments, such as income from the sale of publications and other miscellaneous sources and interest, shall be classed as miscellaneous income, and subject to the provisions in paragraphs [2 and 3] 2 to 8 below, shall be paid into [the part of the Working Capital Fund which stands to the credit of the Organisation.] an Income Adjustment Account.

8. The Director-General shall maintain an Income Adjustment Account to which shall be credited or charged:

(a) Income as defined in paragraph 1 of this article;

(b) Interest earned on the Working Capital Fund in accordance with article 20, paragraph 2 of these Regulations;

(c) Any net premium payable on the forward purchasing of US dollars for a biennium under the Swiss franc assessment system approved by the Conference at its 76th (1989) Session after allowing for any residual gain or loss on exchange in the same biennium arising from the operation of the Swiss franc assessment system; and

(d) Transfers to budgetary income approved by the Conference;

(e) Any other items that the Conference may decide.

Article 19

2. The Working Capital Fund shall be denominated in Swiss francs. Its established nominal level shall be fixed by the Conference.

Article 20

2. Interest earned on the Fund shall be [added to the shares in the Fund standing to the credit (a) of individual Members and (b) of the Organisation in proportion to the amount of their shares.] credited to the Income Adjustment Account.

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INTERNATIONAL LABOUR OFFICE
BUREAU INTERNATIONAL DU TRAVAIL
OFICINA INTERNACIONAL DEL TRABAJO
CH-1211 GENÈVE 22

P. P.
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